

JULY

NATION'S

1944

JUL 5 1944

# BUSINESS



**BUSINESS SETS ITS  
COURSE**

**OUR COMMUNISTS  
GO UNDERGROUND**

**FOREIGN TRADE  
AFTER THE WAR**

GENERAL LIBRARY  
UNIVERSITY OF MICHIGAN  
ANN ARBOR MICH

# FACTS

## FOR FUTURE-MINDED AMERICANS



# ABOUT THE MIGHTY MARTIN MARS

At some far-flung naval base, special equipment is needed . . . quickly. Big events are in the making; and the war can't wait while plodding freighters cross sub-infested seas. This is a job for the 72-ton Martin Mars, world's largest flying boat. Our Navy's answer to the cry of "more supplies . . . faster," the Martin Mars can carry 20 tons of cargo to the *farthest spot on earth* in 5 days or less. Now in regular service with the Navy, the Mars is the most efficient airplane yet built . . . per pound of material used, per horsepower and per gallon of fuel. Twenty more of these giant ships, each 82 tons, are now being built for the U. S. Navy.

Into the Mars went hard-won Martin knowledge gleaned from construction of the original trans-Pacific Clippers . . . the giant Russian Clipper . . . and the

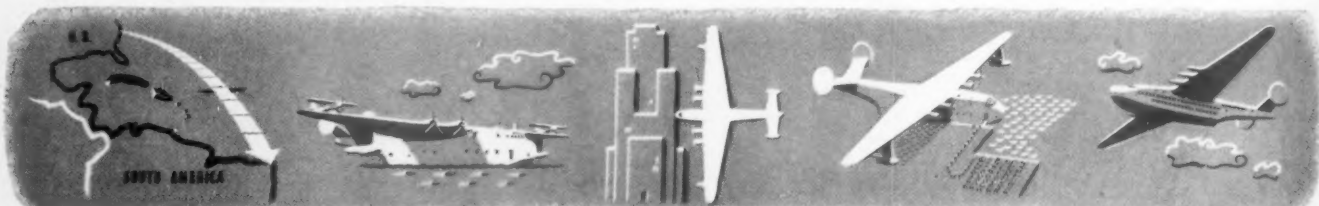
Navy's long-range patrol bombers. From the Mars have come further important findings which will lend added speed, safety and comfort to tomorrow's greater Martin airliners. The Martin Mars is doing more than help win a war . . . she's blazing the trail to a new and brighter tomorrow!

THE GLENN L. MARTIN COMPANY, BALTIMORE-3, MD.  
GLENN L. MARTIN-NEBRASKA COMPANY—OMAHA

# Martin

## AIRCRAFT

Builders of Dependable  Aircraft Since 1909



**4375 Miles, Non-Stop** from Maryland to Natal, Brazil, were flown by the Mars. She carried 16 persons, 13,000 lbs. of mail, broke many records. The Mars is powered by four 2200 h.p. engines.

**From an Actual Photo** of the Mars showing a standard sport plane on each wing, this gives some idea of her size. Mars' wings are so thick that crew can enter them to service engines while in flight.

**If Stood on One Wing**, the other wingtip would tower 200 feet into the air . . . higher than a 20-story building. Mars contains  $7\frac{1}{2}$  miles of wiring, 1.9 miles of piping, uses 24 interplane telephones.

**150 Soldiers**, fully equipped, could be easily transported by the Martin Mars. Her content of 16,665 cu. ft. is equivalent to the content of a 14 to 16 room mansion. When loaded, she draws 5 ft. of water.

**Already Designed**, 150 to 250 ton Martin airliners will someday succeed even the Mars. Martin engineers declare there is no practical aerodynamic limit to the size of over-ocean aircraft.

NATIO

# Nation's



# Business

PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 32

**JULY, 1944**

NO. 7

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**It costs you  
nothing to get  
the answer—**



## —TO POST-PEACE DUST PROBLEMS

A definite answer to at least one of your major post-peace manufacturing problems—air filtration and dust control—is available now, without delay and without cost to you. If you will tell us what your dust problems are likely to be, our engineering staff will make a study and submit recommendations for a scientifically planned AAF dust control system to be ordered for installation when needed.

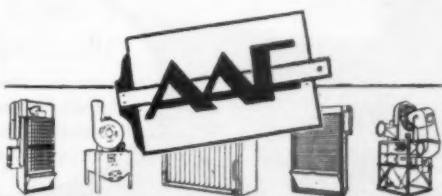
Your acceptance of this offer will benefit us both . . . will help us plan for your needs *now* and assure you of the fastest possible delivery of your dust control equipment when V-day comes.

Meanwhile, write for your free copy of our interesting booklet, "AAF in Industry", describing the comprehensive line of AAF equipment and its broad applications.

**AMERICAN AIR FILTER CO., INC.**

109 Central Ave., LOUISVILLE 8, KY.

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**ENGINEERED DUST CONTROL**



# What keeps these "home fires" burning?

It's coal—bituminous coal.

For example, one ton of bituminous is needed to produce enough steel for making one 2,000-pound aerial bomb; 32,000 tons for steel enough to build a modern superdreadnaught.

And the world knows what an overwhelming volume of war items our nation is turning out every day to deliver the knock-out punch to the Axis.

But helping to double the production of steel is only one of the burdens laid upon the bituminous coal industry by war.

In spite of man-power short-

ages and other hampering factors, our mines have managed to keep coal flowing and furnaces roaring.

Mark that to the credit of men who work in the mines, and the mine proprietors who have invested \$400,000,000 during the past twenty years in mechanical equipment that has added greatly to the safety, the efficiency and the economy of mining.

Bituminous coal is America's chief source of power and energy.

In peace or war, we can't get along without it.

BUY MORE WAR BONDS

## BITUMINOUS COAL *Institute*

60 East 42nd Street, New York 17, N. Y.

Why should anyone want to work in a coal mine?



For one thing, coal miners are well paid, their average earnings being higher than the average for all industrial workers. Thousands of coal miners make \$300, \$400, and some even \$500 a month. For another, their work surroundings are not unpleasant by any means. Mine temperatures range between 62 and 72 degrees with fresh air circulating continuously. That miners like their work is shown by the fact that mining has a lower labor turnover than the average for all manufacturing industries. Many who do leave, come back to the mines.



How long before all the coal will be mined?

It is estimated that there is enough coal in our mines to last at least 3,000 years. In view of the progress that is constantly being made in the development of more efficient, more economical firing equipment and combustion methods, 3,000 years is probably far too conservative a figure.

What chemical value has bituminous coal?



Plenty, as you will see. Most of our synthetics and plastics are made, wholly or in part, from bituminous coal. These include such diverse commodities as perfumes, aspirin, safety glass, dyes, fabrics, synthetic rubber, fertilizers, disinfectants, plastics and a thousand and one other products. In addition, coal products furnish the four most important war chemicals and materials for all high explosives. Bituminous has helped to create new industries, open up new jobs, and make available new products which contribute to our convenience and health.

"WHAT WOULD YOU LIKE TO KNOW ABOUT COAL?"

Here are a few of our answers to the questions you have asked about coal, and the men who mine it.





Far sighted manufacturers are  
selecting their post war  
Pacific Coast factory sites now



**Available!**  
**Factory**

**Sites to Serve...**

- 12 MILLION PEOPLE  
ON THE PACIFIC COAST
- 800 MILLION PEOPLE  
IN THE PACIFIC BASIN AREA

When you establish a plant in Santa Clara County, you're talking big business. The 12 million population in the three Pacific Coast States is growing by leaps and bounds... and more than 800 million potential customers live in the Pacific Basin area.

#### CENTRALLY LOCATED

You can serve this vast market more efficiently from Santa Clara County. It is the population center of the Pacific Coast...with ready access to the docks of San Francisco Bay... for trans-Pacific shipments.

#### LOCATION—PLUS

Santa Clara County offers a wealth of raw materials...electric power, natural gas, water...an efficient and co-operative labor supply...low taxes...But why not get all the facts?

#### WRITE TODAY!

"Post War Pacific Coast"  
presents  
the factual story of Santa  
Clara County.  
Write for it today.



DEPT. N

**SAN JOSE CHAMBER OF  
COMMERCE**  
SAN JOSE, CALIF.

**SANTA CLARA  
COUNTY** *California*



The population  
center of the  
Pacific Coast

# Through the Editors' Specs

## Freedom's Fireworks

IN YEARS PAST, the July numbers of monthly magazines have unanimously featured an editorial admonishment designed to recharge the batteries of patriotism.

This year, at least to this magazine, that seems a singularly futile thing to do. If there are people whose patriotism still needs a shot in the arm, we doubt if any stimulant in our kit will help them.

Neither can we fall back on the old preachments about a "safe and sane Fourth." The kids whose carelessness with firecrackers used to alarm us are out there now handling explosives so violent that we at home have no conception of their deadliness. But for them, America might know a noisy Fourth this year—not from the "five-inch-salutes" and Roman candles of other years, but from the roar of enemy artillery on the near horizon and the rumble of bombing planes overhead.

They have given us a quiet Fourth. In return we can give them the only kind of fireworks that count today—the kind that the worker on our cover is producing.

These are fireworks that the Founding Fathers would understand—the sparks from mill and forge and welder as free men and women pour their freedom into weapons that keep them free.

This year's Fourth will find little sanity anywhere in the world, but as these fireworks continue to burn behind the lethal fireworks of the front, there is safety; and we can look hopefully ahead to future Fourths that will be both safe and sane.

## Footnote to above

THE WORKER on the cover is welding steel hoops for gasoline drums. About the first thing that we noticed is that he wears no safety goggles.

Some months ago when we printed a cartoon of two girl workers in an industrial plant it did not occur to us that girl workers in cartoons should wear accident proof clothing. The letters that resulted from that lapse were a great

stimulant to our safety consciousness.

So we asked photographer R. I. Nesmith, "Where are this man's safety goggles?"

We give you Mr. Nesmith's reply:

"Worker is out of the line of fire from sparks. He puts hoop in machine, steps back, punches a button and, zoop, hoop is welded. Guess that is why he doesn't have to wear goggles. Anyway he didn't."

## Note for public speakers

EITHER the Russian language is less complicated than it seems to be or Joe Stalin has a remarkable facility in editing his own remarks for brevity. As an example, he said, the other day:

"If a man can't speak clearly about his subject, he can't think clearly and I don't give a damn about listening to him."

After we read that, we read again the speech that Chamber President Eric Johnston made in Russia in June.

In the course of that speech, he said:

"In economic ideology and practice my country is not only different from yours. It is more different from yours than is any other country in the world. You are the most state-minded and the most collective-minded people in existence. We are the most private-minded and the most individual-minded; and gentlemen, make no mistake: *We are determined to remain so*—and even to become more so."

Clear speaking, eh, Joe?

## No place for a young girl

A MID-WESTERN mother wrote to her daughter in Washington and inquired how she was helping to win the war in her government job.

The daughter answered: "I work in the data-analysis group of the aptitude test subunit of the worker analysis section of the division of occupational analysis and manning tables of the bureau of labor utilization of the War Manpower Commission which is under the Office of Emergency Management. . . ." A few days later, the daughter received a telegram from her mother

# Invasion Started back in the Railroad Yards



**P**REPARATION for invasion of Europe started many months ago back in the railroad yards of America.

For it was here that the thousands of landing barges, special boats, guns, munitions and supplies first started on the long journey from production lines to battle lines.

In increasing quantities, Erie and other American Railroads are carrying a steady flow of materials and equipment to assure our troops every chance of success in the greatest assault ever attempted in history.




And the job will continue to grow greater each day.

But your railroads will get the job done with the help of the public, shippers and government agencies. In war, as in peace, Erie and other American Railroads provide fast, safe, dependable transportation.



## Erie Railroad

ONE OF AMERICA'S RAILROADS—ALL UNITED FOR VICTORY  
BUY WAR BONDS AND STAMPS

 **23,578** FREIGHT TRAINS DAILY  
 **1,408,964** FREIGHT CARS DAILY  
 **25,000,000** NET TONS DAILY

AMERICAN RAILROADS AT WAR

which said: "Come back home immediately."

### Soldiers plan, too

PRACTICALLY every one has gone on record as to what ought to be done for returning service men except the fellow most vitally interested—the ex-service man himself. Naturally it isn't easy to get his opinion but, in Seneca Falls, N. Y., the Chamber of Commerce decided to have a go at it.

They printed a letter to "Seneca Falls Boys in the Armed Service," told them they appreciated their sacrifices, "plan to have jobs ready for all of you as you come home." Then they appended a questionnaire including these questions:

Whom did you work for?  
If you had a business of your own, what was it?  
Do you want your job back?  
Or have you other plans?

So far they have received better than 20 per cent replies and men overseas have not had time to answer. The soldiers' letters say they like the idea.

### Our "open door" policy

EVEN though we be thought international busybodies we feel that we have to risk comment on a recent English news item describing the prefabricated houses being made ready for the 500,000 bombed-out British families after the war: "Each house has a living room, two bedrooms, a kitchen, a bathroom, one door, no attic and is proofed against moths and mice. Each has many built-in features and about \$320 worth of furniture including a refrigerator. All are centrally heated. Five tons of steel and considerable quantities of aluminum, asbestos and plywood go into each of the tiny homes. The houses are not intended to be permanent or to be sold. The Government will own and license them."

It is that "one door" feature that alarms us. How, we inquire mildly, can an Englishman's house be his castle if, in getting into it, he has to surmount a drying mop, the cat's milk, the dog's bone, the newspapers, and all the impedimenta that accumulates at any well-regulated back door. Even if stowage space for these things is provided among the home's "many built-in features" we protest. These things properly belong at the back door and an effort to put them elsewhere means social upheaval that the world is not yet ready for. The thing to do is to put another door in these houses.

### Small business

THE discussion about small business keeps reminding us of the O. Henry character who set out to find the typical "man-about-town."

The National Small Business Men's Association defines small business as including manufacturing plants with 1,000 employees, or fewer; wholesale establishments with less than \$1,000,000 net sales volume; retail stores, hotels, service establishments, places of amuse-

ment and net sales 000. Ab

The Chamber of Commerce (manufactory employees' net sales receipts of 2,819,711

Meaning bill to incorporate says snail-wholesaler and ret annually

Maurice Smaller least ge

"A snail which National—and does not Commer

### Lesson

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Between had been different string-w son. The available of only boy's per nifying tops bey tical stu

Our co episode any per fail. Ho hope to the size must eve a toupee shell ash objects intrinsic

### Restate

JAMES National ciation, M on its ec nual Sp told ass war, co about th industria aren't go that if p



ment and construction firms with annual net sales or receipts of less than \$1,000,000. About 3,500,000 concerns.

The Bureau of Foreign and Domestic Commerce (U. S. Department of Commerce) says small business means manufacturing plants with 100 employees or less; wholesale establishments with less than \$200,000 annual net sales; retail stores, service establishments, etc., with annual net sales or receipts of less than \$50,000. That includes 2,819,710 establishments.

Meanwhile, Senator Murray, in his bill to set up a federal small business corporation with \$1,000,000,000 capital, says small business includes manufacturers with less than 500 employees, wholesalers doing less than \$1,000,000 and retailers doing less than \$250,000 annually.

Maury Maverick, chairman of the Smaller War Plants Corporation, at least gets away from mathematics.

"A small business," he says, "is one which cannot afford to belong to the National Association of Manufacturers—and real small business is one that does not even belong to the Chamber of Commerce."

#### Lesson in economics

OUR office snorter did some of his best snorting the other day over an OPA announcement that it was giving up efforts to control prices on such novelty items as wooden hair curlers, toy kites, tops, yo-yos, self feeding baby bottle holders and similar items "because the items are relatively unimportant to the cost of living and control of their sales involves difficulties out of all proportion to their intrinsic significance."

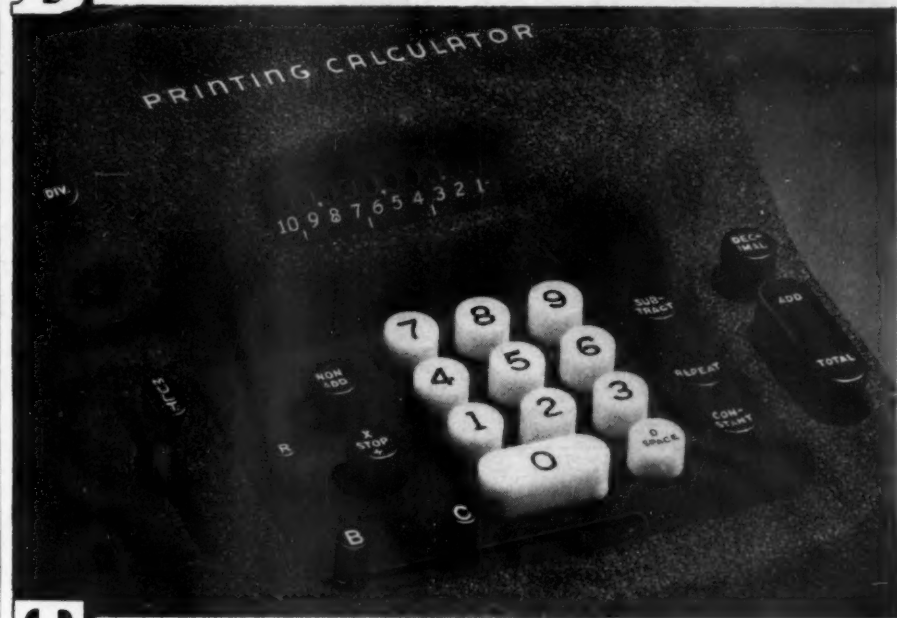
Between snorts he explained that he had been trying for weeks and in three different cities to get an old-fashioned, string-wound top for his eight-year-old son. The fact that no such tops were available made ceiling prices a matter of only academic concern but a small boy's persistent importunities were magnifying the "intrinsic significance" of tops beyond the capacity of OPA statistical studies to define.

Our cosmic planners may find in that episode a whole volume of evidence that any permanent managed economy must fail. How can democratic government hope to keep good will when, because of the size of the task it has undertaken, it must eventually tell a citizen who wants a toupee, an ivory back scratcher, a seashell ashtray or a pogo stick that the objects of his desire have no, or little, intrinsic significance.

#### Restatement of a fact

JAMES Y. SCOTT, president of the National Machine Tool Builders' Association, hit a postwar planning nail right on its economic head when, at their Annual Spring Meeting in Cleveland, he told assembled members, "After this war, cost-cutting is going to be just about the biggest problem in the entire industrial field. You know that wages aren't going down. And you know, too, that if prices keep on going up, Ameri-

## Because it's so SIMPLE... so COMPACT



## THIS calculator keyboard speeds the work

● Why *shouldn't* it be simple and compact? Why use 72 keys, or 90—when all you need is *one* key for each of the 10 numerals in the decimal system? The Remington Rand Automatic Printing Calculator breaks with calculating machine tradition, making just 10 numeral keys do a *better* calculating job than has ever been done before. Operating keys are equally compact... a reach of only 6½" will easily span them all.

Here is *the* calculator you can operate with one hand alone... not two hands—not hand and arm... but just *one hand alone*. That's why anyone in your office can run it all day without feeling exhausted at closing time—can turn out calculations at top speed, right from the very first.

Add up *all* the ways in which the Printing Calculator breaks with calculating machine tradition:

- ▶ It *prints* every factor of every problem.
- ▶ It will do *all* your office figuring... multiplying, dividing, listing, subtracting, adding.
- ▶ It's easy to operate. No specialized training is required. Proficiency comes quickly and naturally.
- ▶ And... it's the only calculator with keyboard and all operating keys in the span and control of *one hand!*

Add up all four, and you'll know why thousands of Printing Calculators are today serving government, Army & Navy, war industry and business, on costs, estimates, payrolls, taxes, invoices, formulas, percentage problems of every kind.

This is a machine you've got to see to believe. See it today, at your nearest Remington Rand office.

*The Printing Calculator is available on WPB approval, to help conserve manpower, expedite war work, maintain necessary civilian economy. Talk it over with our representative.*



**AUTOMATIC PRINTING  
CALCULATOR**

*by Remington Rand*

The only PRINTING calculator with automatic division

If you can't DROP bombs, BUY them... FIFTH WAR LOAN, June 12-July 8



# FACT OR FICTION?

A 47-second test on the Main Street of the Northwest



Q. Northwest sheep play vital role in paper manufacture. Fact or fiction?

A. Fact. Wool from Romney, Cotswold, Lincoln sheep makes block-long felts used in paper-making. In 1943, N. P. carried 22,234,000 lbs. of wool.



Q. Recent Oregon gold rush has built new city of 37,000. Fact or fiction?

A. Fiction. Not gold, but shipyards, created Vanport City—in 16 months! Second largest city in Oregon, it is on the "Main Street of the Northwest".



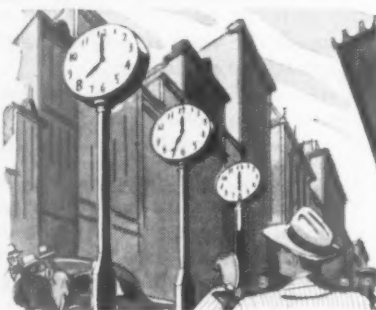
Q. Monster Diesel locomotive, now hauling N. P. freight, is longer than three bowling alleys. Fact or fiction?

A. Fact. It's 193 feet long, built in four articulated sections. Northern Pacific has ordered 11 of these giants.



Q. Blizzards notwithstanding, spuds from Minn.-N. D. Red River Valley are dug in February. Fact or fiction?

A. Fact. But from Dixie's soil. Certified seed for southern growers is precious part of N. P.'s potato tonnage.



Q. Three kinds of time are used on one American "Main Street". Fact or fiction?

A. Fact. The Northern Pacific Railway operates in Central, Mountain and Pacific time zones . . . It's the 1904-mile "Main Street of the Northwest".



## NORTHERN PACIFIC

MAIN STREET OF THE NORTHWEST

can industry won't be able to get the mass markets needed to sustain high-level postwar employment.

"It is up to us right now to do so good a job of re-engineering and redesigning that when the war is over, American manufacturers can continue to pay high wages and at the same time put their products on the market at prices that the masses of people in this country and in other countries can afford to pay."

Which is to say that, unless people have changed, if we make the good mousetrap, we'll get the business.

### Needle in a haystack

A MAN we know has been doing serious research ever since the Supreme Court held that an elevator operator was engaged in interstate commerce. The operator, together with engineers and other service employees, was hired, you will remember, by a building owner who rented space to firms engaged in interstate commerce. Since the recent decision that fire insurance companies are also engaged in interstate commerce, our friend has redoubled his efforts. The result of that decision is to take control of insurance companies away from states which have 75 years of experience in handling it and turn it over to the federal Government which has no machinery, personnel or rules of procedure.

That, however, is not what bothers our man.

"Sometime," he says, "the Supreme Court or somebody is going to be asked to whip up a quick example of *intrastate* commerce. I want to have one ready when that happens."

The best he has done so far is this: An Iowa boy goes fishing in the local creek and sells his fish to a passerby.

He does not think the boy is engaged in interstate commerce. But he isn't sure. Probably the kid used a hook manufactured in Michigan, a line from New England and a pole that grew in Hawaii. In that case his activities are the end of a chain of interstate commerce, which was the point made about the elevator operator.

### Disobey those impulses

"MEMORY," according to Macbeth, is "the warder of the brain." There is no point in trying to pick an argument with the Thane of Cawder from this distance but we would like to offer the case of Paul Dayton, of Montana, in opposition. As Mr. Dayton steered his car around a curve, he reminisced: "This is the place where I turned over in this car last year. I was—"

At that point he turned over again. Which is as good a reason as any to revive the story about the New Yorker who yielded to the whimsy of sweeping every glass off his club's bar with his cane.

Reinstated in the board of governors' good graces after a year's suspension, he met a friend in the same bar.

"Joe," said the friend, "I haven't seen you for a year. Where you been?"

"Well," said Joe, raising his cane. "It was like this—"

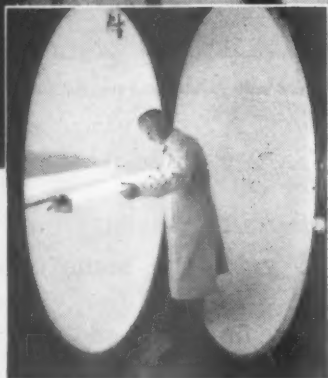
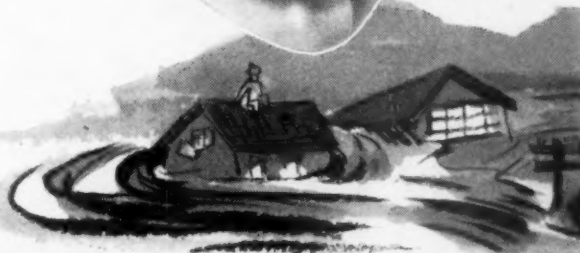
# The G-E lamp that foiled a flood—

A FLASH FLOOD, sweeping through the Lehigh Valley . . . scores of strategic war plants without power . . . Water-soaked motors and generators useless . . . In a single factory, 30,000 workers idle.

Then someone had an idea—General Electric Reflector Drying Lamps! These G-E lamps, in hastily improvised racks, put infra-red heat deep into wet coils and motor parts, helped to do in ten days what normally would have taken thirty. So another product of General Electric Lamp Research helped save thousands of vital man-hours that might have been lost.



*This is an R40 G-E Reflector Drying Lamp, a special-purpose lamp, developed by G-E Lamp Research, that has helped save vital hours in finish-drying jeeps, guns, tanks, and many other war products.*



◀He's measuring how much light a lamp gives. G-E Lamp Research is constantly at work to give you the best lamps for every lighting need—more and more light for less and less money. Its never-ending aim is to make G-E lamps . . .

*Stay Brighter Longer*

G-E LAMPS

**GENERAL  ELECTRIC**

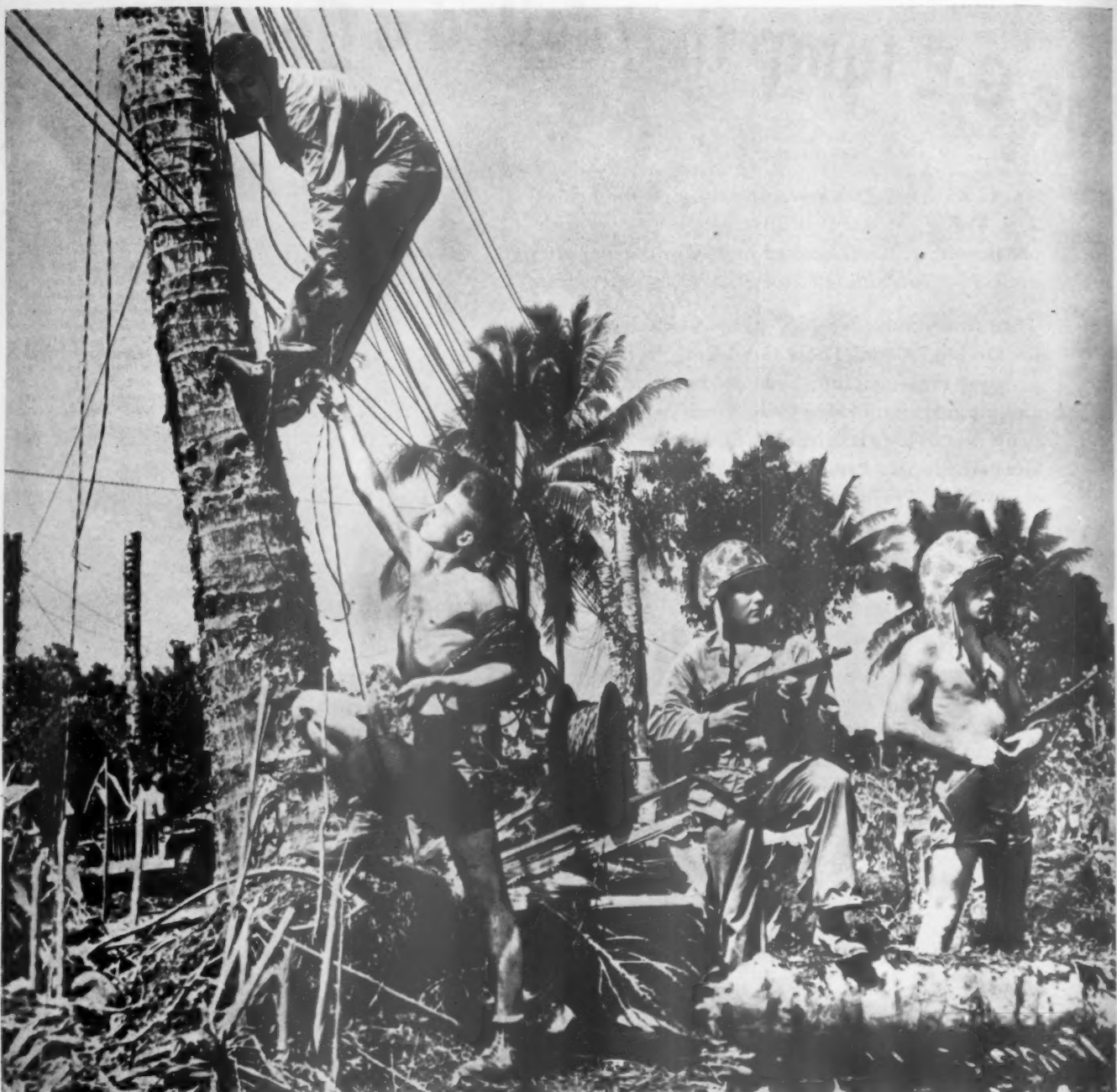


BUY WAR BONDS AND HOLD THEM

Hear the General Electric radio programs: "The G-E All-Girl Orchestra", Sunday 10 p. m. EWT, NBC; "The World Today" news, every weekday 6:45 p. m. EWT, CBS.

NATION'S BUSINESS for July, 1944





U. S. MARINES ON BOUGAINVILLE use palm trees for telephone poles as they string communication lines. Two stand guard with carbine and sub-machine gun.

## Telephone Lines on Bougainville

**T**HIS is a war of communications. The farther our forces advance, the more wires, telephones and switchboards they need. And war stopped the making of telephones for civilian use.

We regret that many here at home cannot now get tele-

phone service and may not be able to get it for some time.

If you are one of those who are waiting, we'd like you to know that we will do everything in our power to minimize your delay.



**BELL TELEPHONE SYSTEM**

SAV  
WAY O  
TO CH  
WAS CO

NATI





## It takes tons of PAPER to launch an air fleet!

**KIMBERLY  
CLARK  
CORPORATION**  
NEENAH, WISCONSIN

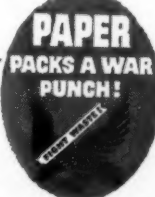
Planes are *born* on paper. For, on paper blueprints, aircraft designers translate their visions into the universal picture language of industry.

And planes are *built* with aid of paper—thirty thousand pieces of it to launch a single warplane.

Millions of paper tags act as “traffic cops” to direct the flow of parts and materials through aviation plants. Countless paper forms—operations-sheets . . . production schedules . . . engineering orders . . . reports—guide busy hands, answer questions, show changes in design. Here, indeed, paper is an essentiality!

PAPER is speeding our air armadas into the blue—100,000 strong this year. Sending winged death to Tokio and Berlin.

**SAVE WASTE PAPER** • Paper is a vital war material. It is the duty of every American to make full use of each piece—to save all waste paper and have it collected regularly.



### *Levelcoat*\* PRINTING PAPERS

While conserving our nation's critical resources wherever possible, Kimberly-Clark is manufacturing highest quality Levelcoat Printing Papers that can be made under wartime restrictions.



\*TRADE MARK

YOU have made Pullman-Standard-built streamlined trains the most popular and profitable trains in America. By your overwhelming patronage you confirmed our faith in this type of modern equipment and justified the railroads' resolution to put an ever-increasing number into postwar service.

## ... Pullman-Standard CREATED STREAMLINED RAILROAD CARS



THE ROOMETTE

This most popular of travel innovations provides the luxury of a private air-conditioned room with wardrobe, a full-sized bed, concealed toilet facilities and individual temperature control.

**Almost three-fourths of all streamlined cars purchased have been built by Pullman-Standard.**

**F**OR 10 solid years — ever since they were placed in operation — lightweight streamlined trains built by Pullman-Standard have been continuously "on the go", serving the public, loaded to capacity, without a single hour's operating loss to the railroads due to structural failure—proof of Pullman-Standard's traditionally sound engineering principles.

Here is stirring evidence that "modern lightweight" has met and mastered the brutal heavy-duty test of wartime transportation—conclusive proof to the public and the railroads that cars of this type are the answer to the railroads' postwar transportation problems.

**Postwar Trains Will Be Even More Popular**  
Expect great things. Even finer lightweight trains—and more of them—with many innovations to make your railroad journeys much more pleas-

urable. Expect more for your money—smoother riding at high speeds—comfort and convenience beyond anything you have yet experienced. For the railroads and Pullman-Standard have definite plans for your more luxurious travel—in coaches, dining cars, recreation and sleeping cars.

Even though our present efforts are dedicated entirely to the armament program, Pullman-Standard plans and research for the future provide an opportunity to returning soldiers for postwar employment. So that when materials are available these men may resume their familiar tasks of building *safe, comfortable, dependable* railroad equipment—even finer than they built before they left our shops and machines to wage freedom's war.

**BUY MORE THAN BEFORE IN THE 5th WAR LOAN**

In addition to passenger cars, Pullman-Standard designs and manufactures freight cars of all types, subway, elevated and street cars, trackless trolleys, car wheels and other railroad equipment.

Offices in seven cities . . . . Manufacturing plants in six cities

**Pullman-Standard**  
CAR MANUFACTURING COMPANY  
CHICAGO • ILLINOIS

World's largest builders of modern streamlined railroad cars

© 1944, P.S.C.M. Co.

NATION'S BUSINESS For July, 1944



**10 GOES INTO**

**M**ULTILITH Systemat Duplicating is an answer to the problem of conserving paper, time, and money.

An excellent example of how efficiently this new method can be used to simplify paper work is found in a single form developed as a shipping document for the U. S. Army Service Forces. This one form takes the place of ten separate forms previously required.

The single document is run from a Multilith master sheet, called a Systemat. The Systemat carries constant information printed in reproducing ink. Variable data necessary to complete the document is compiled and typed or handwritten in. The entire form then becomes a master sheet which, placed on a Multilith Duplicator, produces a dozen or hundreds of accurate, permanent, black-on-white facsimiles—every one an original.

This revolutionary innovation is a war development that opens up scores of ways of utilizing Multilith duplicating in many departments of business and industry.

Learn how Systemats can be fitted into the paper work of all departments to simplify methods and bring about astonishing results in time-saving, in elimination of waste motion, and accelerating operations. Let a Multigraph representative explain how Systemats function and show you what they are accomplishing in many varied businesses.

Millions of Multilith Systemats are being used by U. S. military forces. Of course, their requirements take precedence over civilian demands. Addressograph-Multigraph Corporation—Cleveland. Sales agencies with service and supply departments in principal cities of the world.



MULTILITH DUPLICATOR, MODEL 1250  
Multilith Models from \$395 to \$3725  
Multigraph Models from \$150 to \$2035

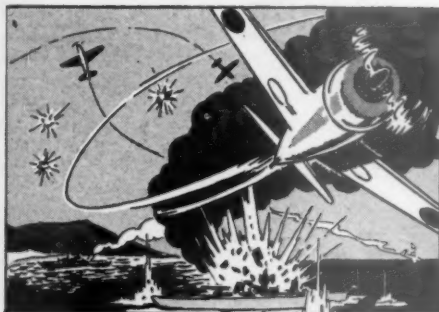
**Multigraph**  
TRADE-MARK REG. U.S. PAT. OFF.

**SIMPLIFIED BUSINESS METHODS**

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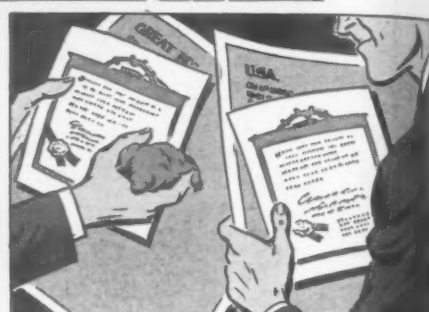
# MOVING PICTURE OF THE BEST TIRE BUILT TODAY



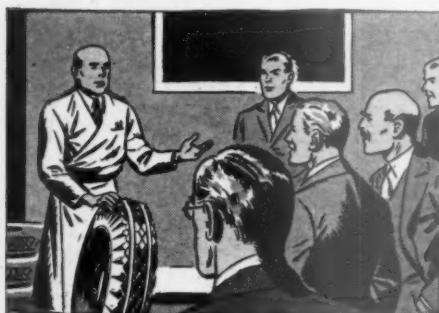
THE CRASH OF BOMBS on Pearl Harbor began the attack that, with the swift fall of the Far East plantations, cut America's rubber lifeline and brought the world's most motorized nation face to face with catastrophe as its rubber reserve dwindled.



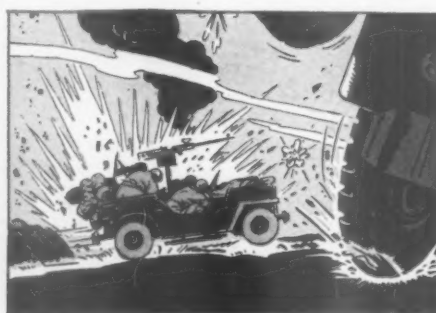
FORTUNATELY, NEARLY 20 YEARS EARLIER, Goodyear research chemists had begun experiments looking toward production of a synthetic rubber from hydrocarbons common in the United States, as a possible source of rubber free from foreign control.



U.S. AND BRITISH PATENTS covering synthetic rubber manufacture were granted to Goodyear, following the development in 1927 of an improved process resembling today's method. (To help win the war, Goodyear gave broad patent rights to the government.)



THE FIRST ALL-SYNTHETIC RUBBER TIRE built in America was made by Goodyear in 1937 from a special synthetic developed by Goodyear, in many respects similar to that produced in government plants today. It outwore the best European synthetic tires.



FIRST TIRES FOR THE ARMY, entirely made from synthetic rubber produced in these new government-owned plants, were built by Goodyear and delivered early in 1943. In front-line service they gave excellent account of themselves.



AMERICA'S FIRST COMMERCIAL SYNTHETIC RUBBER PLANT. After several years of pilot plant operations the first complete commercial unit plant for manufacturing synthetic rubber was built and put into operation by Goodyear in 1941.



SYNTHETIC TIRES FOR CIVILIANS went into production in all Goodyear tire plants in 1943, as part of the government's program to keep America's passenger cars rolling in 1944. These tires are now available for essential driving.



TODAY THE DANGER FADES as new synthetic tires replace prewar "bald" treads. Motorists find Goodyears give standout performance; and that the veteran Goodyear dealer organization is most experienced and best equipped to give service that insures best wear.



THIS TWENTY-YEAR RECORD OF LEADERSHIP IN DEVELOPING AND IMPROVING SYNTHETIC RUBBER IS THE REASON GOODYEAR SYNTHETIC RUBBER TIRES ARE NOW THE BEST YOU CAN BUY. IT EXPLAINS WHY TODAY, AS FOR THE PAST 29 YEARS: MORE PEOPLE RIDE ON GOODYEAR TIRES THAN ON ANY OTHER KIND!

## GOOD YEAR

THE GREATEST NAME IN RUBBER

# MANAGEMENT'S

## Washington LETTER

A last minute roundup by a staff of Washington observers of government and business

FOURTH-TERM MANEUVERS WILL TOP JULY NEWS on home front. White House intimates express complete confidence in President's health and energy under his present restricted program of activities and decisions.

But four other considerations will guide final decision on campaign: (1) progress of invasion, (2) power and depth of anti-Fourth-Term sentiment demonstrated at Chicago convention, (3) development of postwar peace plans in preparatory international conversations, and (4) success of CIO's Political Action Committee in mobilizing militant campaign throughout pivotal Midwest States.

► RECONVERSION and contract termination legislation is badly snarled in a bitter inter-bureau struggle—with the business community pretty much in the middle.

Baruch's letter to the President reflects keen disappointment that no action taken to carry out demobilization time-table submitted February 18. (NB, April '44)

Meanwhile, WPB has set up elaborate demobilization machinery in its Production Executive Committee, to handle all contract adjustments and reconversion allocations through Industry Advisory Committees. White House winks at Congressional delay on postwar policies—until WPB can dig in!

Don Nelson thus has won his fight for complete control of reconversion program. WPB is at work on "N-Day" schedule ("normalcy"), listing civilian resumption by priorities.

► SURPLUS PROPERTY ADMINISTRATION (Clayton), established by Executive Order last February, now has been divested of overseas disposal.

All surplus property outside U.S. is in hands of Office of Foreign Economic Administration (Crowley).

► INTERNATIONAL MONETARY CONFERENCE in New Hampshire this month will be limited to exploratory conversations.

No binding commitments are in prospect; London and Washington are in agreement only on "broad objectives."

Details of currency-stabilization and world-bank plans will be influenced decisively by length of war and ultimate scope of international reconstruction program, neither of which can be measured before October (when German Staff must gauge Nazi morale for a sixth winter of war).

New Hampshire discussions will have little effect on business outlook, but will reveal general pattern of Roosevelt approach to postwar international economic organization.

A question from Capitol Hill: "Will this be like other postwar proposals, under which we contribute most of the money?"

► INTERNATIONAL AIR ROUTES are a difficult problem for the preparatory conversations on postwar settlements. Great Britain has put forward the idea of "empire preference" in allocating air routes. U.S.-built military air lines across Central Africa already have been turned back to British operators.

Unless "open-door" policy is accepted by all nations, U.S. may be compelled to require long-term route leases as repayment on lend-lease accounts.

For that matter, if we don't settle final lend-lease balances by cancellation, in cash or returned goods (all of which are doubtful) we must soon begin to list suggestions like this as alternatives.

► MANPOWER PRIORITY PROGRAM for all male workers, effective July 1, will be applied progressively in labor shortage areas only (about 185 cities out of 355).

Women and agricultural workers are exempted; labor union hiring halls may place their own members directly. All other male employment must clear through USES.

Employment priority committees will refer available applicants according to table of local urgency, but men referred are under no legal compulsion to accept; there is no limit on how many times a man may be referred before he finds an acceptable job.

Principal effect of the plan will be to "freeze" war workers in present employment; they may shift jobs only through the federal employment offices. Unless substantial reasons for quitting be advanced, USES simply may refuse to



put an employed applicant on the referral list—and no employer may engage a male worker without local clearance from the USES (except discharged veterans, who are free for 60 days to take any employment desired).

Labor union hiring halls are given all powers of USES in placing their own members, regardless of clearance, priorities, or competing employment needs outside the union's field.

► WLB DOCKETS carried 16,486 undecided cases in Washington and regional offices as of April 1, Chairman Davis reports to Senate.

This log-jam included 2,308 contract dispute cases and 14,178 wage adjustment applications under stabilization program.

March marked 13th consecutive month in which WLB carried more than 15,000 open cases on its dockets; some are two years old.

Administrative breakdown in WLB is a principal contributing cause to prevailing unhappy labor situation, union spokesmen charge.

► TOTAL STRIKES in U.S. first quarter this year numbered 1,020, against 640 same period of 1943.

Bureau of Labor Statistics has ceased regular monthly publication of strike statistics—as a "measure of economy."

► COAL SUPPLY next winter may be determined by extent of early buying by both householders and industrial users between now and October.

Immediate stock-piling at point of consumption is urgent in every locality.

Metals and Minerals Unit Bureau of Foreign & Domestic Commerce, warns: "It is highly desirable that coal consumers be persuaded to stock up during summer, even on unfamiliar coals. Extent of this stockpiling will decide the success or failure of the national fuel supply for next winter."

If you want to be sure of enough coal next winter, buy what you can get—don't shop for grades.

► NEWLY FOUND TIN DEPOSITS in British Columbia have attracted joint development efforts of U.S.-Canadian governments as step to increase civilian canning allocations by next January.

New discoveries were doubted by Canadian Minerals Control until Senate Small Business Committee began inquiry into foreign metal developments with U.S. funds; asked, why no development of B.C. tin resources?

FEA Boss Crowley quickly assayed discoveries, offered a contract, won Ottawa's approval.

Possible result—about 1,000,000 pounds of unanticipated tin in 1945!

► NEW SUGAR PURCHASE AGREEMENT with Cuba allows Commodity Credit Corporation to import raws duty-free. Sales to U.S. refiners then made with tariff added—\$15 a ton.

This arrangement gives CCC about \$45-million "profit" on year's imports from Cuba, for use in domestic subsidy payments without appropriation by Congress.

Authority for government imports duty-free was found in 1914 law authorizing Navy to make such purchases abroad for ship's stores!

► IRRIGATED FARMS FOR VETERANS are visioned in postwar program of Reclamation Bureau, recently sent to Congress.

Bureau has catalogued 236 potential irrigation projects in 17 States—from Kansas and Nebraska to Washington, Nevada and California—to bring some 16-million new acres into production.

Federal investment of \$2.8-billion would open about 135,000 farms for veteran settlement—an average of \$21,000 per farm (\$172 per acre), without housing, equipment, machinery.

These developments also would generate 2,600,000 kilowatts of farm power.

Distribution of potential projects: Montana 33, California 27, Wyoming 24, Idaho 20, Utah 20—and 12 other states.

► HEAVY DUTY TRUCK TIRES will be in short supply during third quarter, ODT warns. (Supply of smaller tires about adequate for programmed allocations.)

Greatest pinch—due to unexpected demands from invasion fronts—will be in 10-ply sizes, from 7.00 x 20 upwards.

In 8.25 x 20 size, measured deficiency for third quarter is 25,000 tires monthly, as gauged by minimum wartime replacement requirements.

Utmost conservation of tires in these dimensions is urgent, warns ODT Director, Colonel J. Monroe Johnson.

► PAPER BOARD CONTAINERS are described as "the most critical problem in WPB."

Container Division says 52% of timber cut now going to packaging, with 25% all fiber containers going overseas, from which there is no paper salvage.

All container board is now under WPB control (L-317 and M-290).

Waste paper drive, conducted largely through school children, expected to fall off sharply with summer vacations.



Industries are urged to lend a hand.

Paper mills now getting 586,000 tons of waste monthly; need 667,000 tons to maintain scheduled production.

WPB says a million tons available monthly if everybody scrapes hard.

► **GROUP HEALTH INSURANCE** plans are being developed aggressively by principal underwriters.

Studies indicate employer may obtain complete health coverage for all workers and families (without medical exams), at average cost of 1.5 to 2 cents per payroll-hour (half usually paid by employee).

Supreme Court decision against Southeastern Underwriters (whereby insurance becomes interstate commerce) has brought pressure from states for congressional action to reaffirm state control to fullest possible extent. Action possible in October.

Group health insurance—including doctors, hospitals, operations, accidents, maternity—presents potential \$500-million in new annual premiums, only one-fifth of which is now developed.

Polls show workers prefer employer-sponsored plans to compulsory federal program under Social Security.

Detailed experience on 15 major employer plans now in operation is available.

► **FATHERS CALLED IN DRAFT** now represent about 30% of all fathers in the 18-37 age groups.

Other 70% have occupational deferments, hardship dependency classification, or physical disqualifications.

Total of fathers in service and classified for induction is 1,944,089 out of 6,748,354 registered under 38.

U.S. troop movement to overseas posts now running 10,000 men daily.

This transport rate is scheduled to continue through November.

► **BUREAU OF MINES** has completed exhaustive study of dust-explosion risks in manufacture of modern plastics, in cooperation with National Fire Protection Association.

Pamphlet free, on request, from Department of Interior, Washington 25, D.C. Ask for "Report of Investigation 3751—Explosibility of Plastics Powders."

► **SPIRITED CONTROVERSY** within WPB preceded Chairman Nelson's signing of order creating Office of Labor Advisory Committees which will permit labor a voice in production programs.

Vice Chairman Wilson wanted order to affect only direct labor problems such as absenteeism and turnover. Labor spokesmen insisted "every production problem has direct interest for labor."

This rule permits vice chairmen to recommend consultation with an appropriate labor advisory committee when a proposed order, in their opinion, would affect production of an industry.

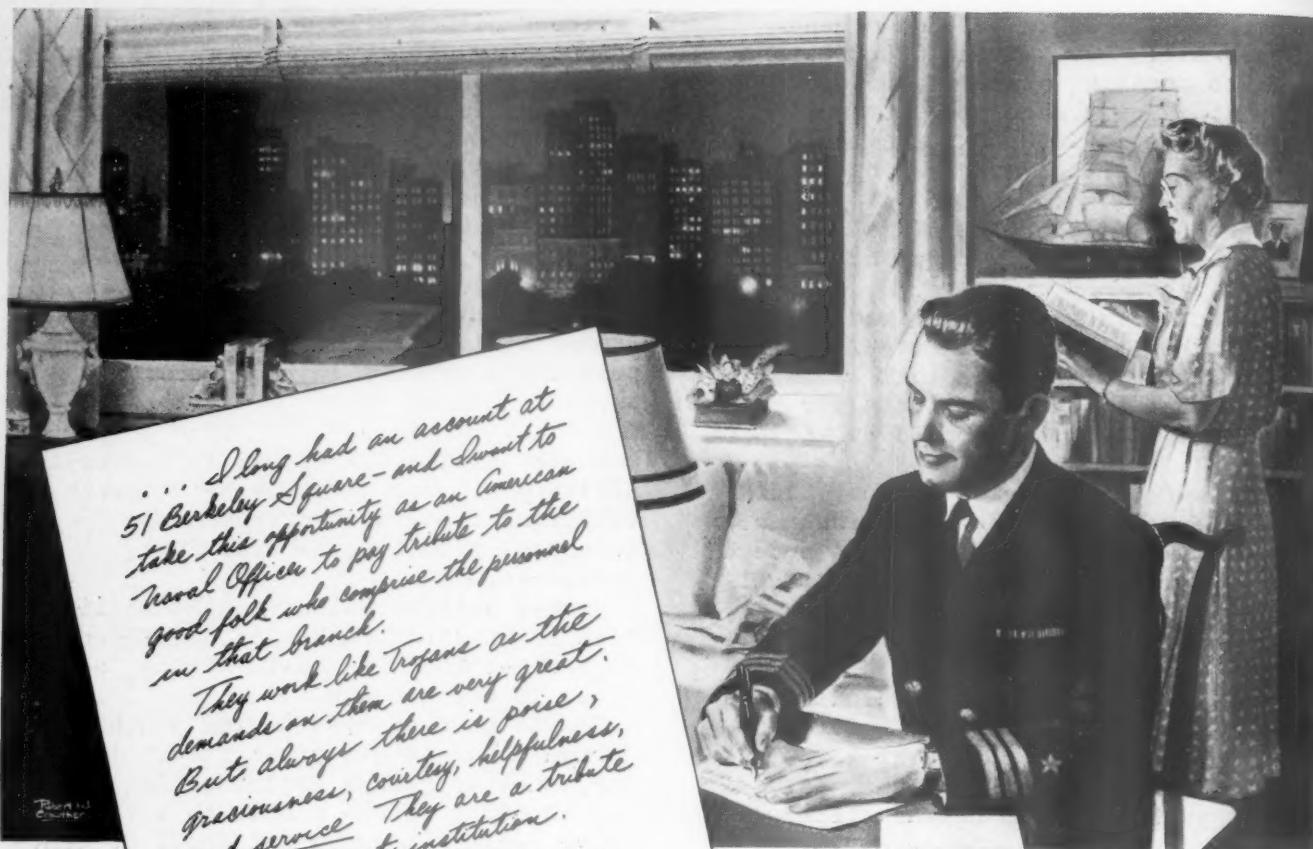
Management circles wonder: Will labor demand similar consultation rights in production matters in reconversion period?

► **ALLIED RELIEF OPERATIONS** in Europe and Africa are under scrutiny by Congress, following reports of extravagance threatening to overtax U.S. food resources.

United Nations Relief and Rehabilitation Administration has 54,000 Europeans in refugee camps in North Africa, adding about 10,000 a month.

People half-starved during months of German conquest are given food, clothing, shelter, UNRRA explains. Bulletin No. 52 adds: "Those unable to work receive small allowances of about 50 cents weekly with which they may make purchases at the camp canteen."

► **WASHINGTON BUSINESS BRIEFS:** Automotive Industry War Council anticipates approval of detailed reconversion schedule at its July meeting with WPB....New gas pipeline from Texas to Appalachian industrial area will open in October—an important lift on Pittsburgh's fuel supply next winter....With veterans hospitals filling rapidly, WMC will reclassify all overage physicians for military commissions. Volunteer physicians up to 63 now eligible for commissions....After June, 1940, U.S. produced its first 100,000 military airplanes in 1,400 days; then second 100,000 came off in 369 days....Army expects to have 50,000 surplus war planes, including 16,000 transports; each transport will have 2 or 4 1,200-hp motors; a vast potential for new industrial power....Reminder: all used cars go under price ceilings July 10; trucks have been ceilinged since April, '43....U.S. electric utilities have installed 8-million kw of new energy since Pearl Harbor; WPB sees adequate power for all war needs, if coal shortage does not restrict dynamos next winter; war time must be continued to save a million tons of coal....WPB is prodding garment industry for some war models in \$2.50 house dresses—"just a little better than cheese cloth."



... I long had an account at 51 Berkeley Square - and I want to take this opportunity as an American Naval Officer to pay tribute to the good folk who comprise the personnel in that branch. They work like Trojans as the demands on them are very great. But always there is poise, precision, courtesy, helpfulness, and service. They are a tribute to your great institution.

Sincerely yours,  
Commander, U.S.N.R.

—Upon his return to New York after two years' service in London, an American Naval Officer writes to the Chase.

To get a letter such as the above unsolicited "thank you" naturally makes us happy. And, while we are delighted that the services of our Berkeley Square branch in London impressed the Commander who wrote us this letter, we also feel privileged to have served those in our armed forces who are not de-

positors at the Chase and whom we try to help in many ways through all our foreign branches.

We know how little these services weigh in the scales of total war. It is our only wish that, in some degree, they may help keep up the fighting spirit of those Americans who are giving so much for *all* Americans.



51 Berkeley Square

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NATION'S BUSINESS for July, 1944

# Foreign Trade After the War

By L. G. DILLON

IT HAS BEEN said that, at this war's close, the United States will be practically the world's only creditor nation of all those which participated in the war. Many non-belligerents will have considerable resources and credit abroad, but France, England, Germany and Japan will be too weak to resume their old positions as first class economic powers.

We are invited to consider, therefore, what great advantages might accrue to the United States if, unlike after World War I, we make a real effort to assume the obligations that go with our position as the foremost economic power. England has shown the way.

For 100 years after the Napoleonic wars, England ruled the world economically and politically. Her industries grew, her living standards rose phenomenally, her pound sterling was the anchor for the world's currencies. Her shipping, banking, insurance, as well as her goods, tied the world's trade together.

It is now said that such a role is available to the United States—if only we are wise and alert enough to play the part.

But, wait a moment. The world has changed a great deal since 1815. In the first place, we do not occupy a monopoly position in manufacturing, as did England after the Industrial Revolution. In her heyday almost all other countries in her economic orbit were producers of raw materials and foodstuffs. England was the world's manufacturer.

Today many of the countries we shall deal with will be driving toward industrialization for themselves. Our manu-



KEYSTONE

**EVERYONE** agrees that foreign trade is desirable. But it has certain political, economic and social requirements.

First, let us be sure that we understand these conditions and then decide which road we want to take.

factured goods must compete in the postwar world not only with those of the highly developed industrial countries but also with the protected products of the countries in the initial stages of industrialization.

We may be sure that for some years after the war the competition will be intensified in the field of consumption goods adapted to a lower purchasing capacity. In that field we would suffer certain disadvantages, since a considerable proportion of our exported manufactured goods consists of articles catering to a relatively high standard of living and production.

In the second place, we should have to



operate in a turbulent and uncertain financial world. Foreign capital has lost a good deal of its old political influence. Many governments found out after the last war that pressure on foreign investors was rather popular with their masses.

Currency disturbances and interference, unknown to the British in the 1800's, caused immense losses in foreign investments between 1929 and 1939. Such losses, during the world-wide depression and the huge write-downs of capital in the later settlements, have made modern investors wary of foreign risks.

There is no reason to expect that the situation after the present war will be more encouraging to the international movement of private capital. It would, therefore, seem that, if investments are to play an important part in our postwar foreign trade, they will be made largely under government auspices, on a national or international basis.

There is a third great difference between the world of creditor-America today and creditor-Britain of 100 years ago. At that time trade between nations was based mainly on a policy which recognized inequalities of resources, aptitudes, commercial and industrial development and experience among nations.

Not only did no one deny that some countries can produce certain goods or render certain services better than others, but, within limitations, trade was encouraged to exploit such differences. Through the interplay of economic forces and, in spite of tariff obstacles, these differences were expected to balance each other over the long pull and to result in mutual benefits all around.

This situation was changed radically during the interwar period. A number of European countries, particularly Ger-

many and Italy, partly for economic and partly for political reasons, embarked on a vigorous and more or less successful campaign of economic self-sufficiency, as opposed to the policy of more or less free interchange of commodities and services of benefit to all.

### Self-sufficient for war

THOSE countries contended that, despite the theoretical benefits to world trade, dynamic countries with political ambitions should not allow themselves to become dependent on other countries for products essential to their political independence (or ambitions), and should produce those products or their substitutes almost regardless of cost.

The political significance of the whole movement for self-sufficiency was not intentionally concealed. An effort was also made, however, to prove that the so-called world economy existed only by the grace and for the benefit of England, with her Empire resources, her dominating navy and merchant marine, and the financial and commercial superiority of the London market. Later on, the term British was changed to Anglo-Saxon, with the same conclusions.

In other words, the countries clamoring for self-sufficiency claimed that the whole idea of an international economy was merely a rationalization of the Anglo-Saxon economic rule. It was at that time we heard so much about the "have" and "have not" nations.

A number of countries were impressed sufficiently to follow the leadership of Germany and Italy, among them Japan, who had political ambitions of her own. It is quite likely that after the present war the trend toward self-sufficiency may persist, not so much for political as for economic reasons.

Now, let us look for a moment at what is likely to encourage a continuation of the "closed" or "directed" economy after this war.

Obviously it will be some time before certain countries are able to resume their foreign trade activity owing to destruction of wealth, political disruption and other consequences of the war. Many of them will not be able to start the foreign trade cycle from the export end and, lacking foreign exchange, credit or gold reserves, will need credit for raw materials and probably industrial and transportation equipment, as well as reconstruction material.

Even if, as is hoped, some collective international organization is created to supply such credit, the resulting foreign trade is likely to be more or less controlled or supervised. It is possible that, in some cases, credit will be supplied in the form of a transfer, on special terms, of surplus equipment from war stocks.

Whatever is done along those lines, we may assume that countries needing such credits most urgently will hardly be in a position to satisfy the credit standards of private American suppliers or banks and that some form of government intervention or guarantee, probably on both sides, will be necessary, unless the financing is done through a collective international organization, which also, of course, implies government control and intervention.

We must anticipate that even the neutral and non-belligerent countries with sufficient resources or credits to finance their own essential imports may find it necessary to husband their resources for some time. They, too, will, therefore, maintain, perhaps in milder form, some of the trade and exchange controls.

The only probable exception will be  
(Continued on page 74)



Our foreign trade today consists largely of Lend-Lease. Shall we enter the world markets when peace comes or try to be "self sufficient"? Either choice presents complex problems

# Innkeepers And False Profits

By ART BROWN

**HOTELS wear out fast in wartime. Worse still, money which should go for repairs shows up as excess gains**

**YOU'VE** heard this one—and others like it:

"Mother, why is daddy sleeping in a tree?"

"He's trying to get used to it, darling. He has to go to Washington tomorrow."

Ever since the war began, the joke-smiths, cartoonists and script writers have been grinding out gags about crowded conditions in the nation's capital.

By now, practically everyone knows how hard it is to get a hotel room in Washington. But—because the fact has not been so entertainingly publicized—not everyone knows that it is just about as hard to get a hotel reservation in every other critical war area.

The only hotels that are not packed these days, according to the American Hotel Association, are those in out-of-the-way corners, in some resort sections and in communities with no war work.

Seven out of every ten transient guests, says the association, are military personnel or connected with the war effort.

There are nearly 28,000 hotels of 25 rooms or more in the United States, about 1,500,000 rooms altogether.

The hotel industry represents an investment of \$5,024,000,000, does an annual business of more than \$1,000,000,000. It is our seventh largest industry.

Transient hotels, which ordinarily operate at about 60 per cent of room capacity, are, in some instances, now operating at 90 to 95 per cent.

"The hotels are so busy," says the national association, "they barely have time to change the sheets."

It was not always thus.

The hotel business was hard hit by the depression. For 12 years after 1929, total hotel sales remained below the '29 level. In 1933, hotel sales were only 51 per cent of what they had been before the crash.

Since 1934, hotel profits have been consistently below the earnings of all other corporations, according to Harris, Kerr, Forster & Co. and Horwath & Horwath, accounting firms specializing in hotel work.

In the years immediately before the defense program, about half the hotels

were not making enough money to pay fixed expenses. Many of them had been through the wringer, had been reorganized to reduce book value of land, building and furniture.

By 1941, the picture had improved. Hotel sales had climbed back to 93 per cent of what they had been in 1929. In '42, they jumped to 107 per cent—and in '43, to 137 per cent.

## Not complaining

TODAY, transient hotels, generally speaking, are doing almost half again as much business as in 1929.

But the hotel man—though not complaining—is not happy.

For one thing, he lacks help. The armed forces have taken 150,000 experienced hotel workers. Other thousands have gone into war plants.

Top-flight hotels figure that, for maximum efficiency, they should have about one employee per room. That ratio they are not able to maintain today.

Hotels have called back into active service elderly waiters and maids long retired, have hired women as room clerks, chefs, bartenders, bellboys, elevator operators and dining room "captains."

Hotels have women working in the carpenter shop and the engine room. One New York hotel even has a woman

serving as a wine stewardess, but no hotel has as yet employed a woman "house detective."

In Washington, the hotel work week has been stretched to 54 hours, but the local hotels would still like to get at least 800 more persons to help them operate their properties.

Virtually all the big hotels throughout the country are seriously understaffed and have had to reduce their special services.

As the Mark Hopkins Hotel of San Francisco expresses it (in an illustrated booklet in which it asks its guests please to be patient if the service is not quite as good as it used to be):

"When your luggage stands for lack of hands: take pity on our bellboys who are trying to do nearly twice as much as our regular staff did in 1941.

"When the telephone service makes you nervous: please understand that each operator must handle four times as many calls as in 1941.

"When the maid's broom avoids your room: bear in mind that our normal staff of maids has been cut in half, and sometimes only a fraction of these are available.

"When the elevator keeps passing your floor till you think no one cares any more: remember we are trying to figure some way to make our elevators

(Continued on page 42)



The public has been understanding—and the hotels have done a fine job in housing the traveler, particularly the service man



# Business Leadership LOOKS A

By **RALPH BRADFORD**

General Manager, United States Chamber of Commerce



UNIVERSAL PRESS

**Ralph Bradford**

**STRONGER THAN EVER**, the National Chamber is ready for any challenge the future may bring. In the year ahead it is prepared to make yet more evident its position of leadership.

The Chamber is a business organization, but it is much more than that. If it assumes a narrow "business" point of view without regard to the rest of the economy, it won't be serving either itself or the nation, and certainly it won't be serving business.

Despite the fact that the great majority of its members are from the ranks of small business, it is still erroneously spoken of, now and then, as the representative of big business. As a matter of fact, it represents much of both. In other words, it represents a system which is predicated on the theory and hope that the little business of today will become the big business of tomorrow, and that both will fulfill social as well as economic functions, whereby they produce goods and profits and thus create jobs.

Like all patriotic organizations, the Chamber has molded its program to that of the war. Its first objective is victory. But it could be just as disastrous to be unprepared for peace as to be unprepared for war. Therefore, we are working now to aid Congress and the nation in devising a prepared economy for the postvictory period.

Such an economy must be able quickly to convert to a high rate of civilian production and employment. It must fill the vacuum that has occurred in civilian production. It must make money for management, stockholders and workers. It must produce the necessary reservoir of purchasing power to insure a prosperous agriculture. In short, it must be ready to resume a normal basis as quickly as possible and create and distribute true wealth—which is the essence of the American economy.

But, all such talk of the postwar has to be translated into specific action on specific things. If we are to serve we will have to get down out of the clouds of verbiage and divide up

planning into its several parts—just as when we talk about the human side of our economy, we pass very quickly from the abstractions of liberty and freedom of speech into such intensely practical things as wages, profits, beefsteak, the radio, the automobile and all the other material symbols of comfortable living.

Thus, in the year ahead, we have to deal not only with the larger abstractions of postwar with a capital "P," but with the immediate problems of reconversion that inevitably will affect the national economy.

One point should be kept clear: Our fundamental job is to make our system of enterprise work. To do that, we must make certain that principles for reaching the goal are maintained, and that Congress and government agencies, as well as business and other groups of the national economy, are kept aware of those principles. The assertion of such principles is a basic part of the Chamber's program.

What then is our job? In the long range sense, it was expressed in the quotation from Daniel Webster which is carved in stone upon the frieze of the Chamber building:

**"Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its**



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## A *SPECIFIC* program looking toward a better tomorrow

1. War Contracts must be terminated with prompt payments for completed work
2. Surplus Property: Legislation should establish definite standards for disposal
3. Wartime control: Must be removed as quickly as possible without courting economic collapse
4. Taxes and Finance: As war expenditures taper off, federal expenditures must be reduced
5. Agriculture: Food supplies must be maintained through adequate prices, manpower and equipment
6. Demobilization: Management must canvass this coming situation and have jobs to meet it
7. Government Competition: Government should withdraw from enterprises that compete with private functions
8. International Trade: Private enterprise in this field should be resumed; the merchant marine developed
9. International Collaboration: The Chamber will work for world economic collaboration, freer world trade, international accord

great interests, and see whether we also in our day and generation may not perform something worthy to be remembered."

But all such generalizations need to be interpreted in terms of specific action; and so, for the immediate future, here is our charter—oversimplified for brevity, but plainly indicative, and based on national needs.

1. **Termination of war contracts:** This gargantuan volume of business must be terminated as quickly as possible after stop-orders are issued, with prompt payments on completed work, and with no avoidable delay in reaching agreements for settlement of current or continuing contract per-

formance. Speed is fully compatible with full protection of the Government against fraud.

**2. Surplus property:** Proper handling of this corollary problem requires enactment of legislation to establish definite standards and to create an independent agency to administer them. Surplus war plants must be transferred to our competitive economy with minimum disturbance to production and employment. The same policies should govern disposition of surplus supplies.

**3. Price and rationing control:** War-time requirements make these and similar government controls obviously necessary. They probably will have to be continued for some time after armistices are signed. Yet, they must be removed as rapidly as possible without courting a collapse of our economy in the difficult transition period. Government officials should willingly accept recommendations for changes in orders and regulations based on actual business experience. All emergency control legislation is of the greatest concern to both large and small business because of the strong probability that efforts will be made to perpetuate the controls when peace returns.

**4. Taxes and finance:** As the vast war expenditures taper off, there must be a parallel effort to reduce all other federal expenditures. Every effort must be made to reduce the colossal federal debt. There should be a definite Congressional plan to end recurring deficits after the war and to return government financing to an even keel. Present tax laws impose burdens which only the war can justify. There must be tax incentives for business to want to continue; risk capital must be encouraged; small enterprise, the backbone of American business, must not be swallowed up in taxes nor

smothered under a further avalanche of questionnaires, blank forms and petty regulations.

**5. Agriculture:** For victory, food supplies must be maintained through adequate prices, ample manpower, equipment and supplies, and a minimum of interference with normal marketing operations. For the postwar, these conditions must continue with, in addition, the widest possible development of industrial utilization of farm products. There must be no collapse on the farms such as occurred soon after the last war. Farm prices cannot be permitted to drop to the point where government subsidies creep into the economy. Agriculture and other branches of business must realize even more their complete interdependence.

**6. Army and Navy demobilization:** Management will come up to a crucial test when the millions of persons in the armed services return in search of jobs. First, management must become fully informed on its legal obligations to former employees. It quite naturally will recognize its moral obligation. But, overall it must provide jobs. Already more than 1,500,000 men have been returned to civilian life. The current rate is more than 70,000 a month. This year is not too early to canvass this approaching situation. Many business organizations are already meeting it head on. Others should do so—now.

**7. Government competition:** Rapidly, the Government should withdraw from the varied enterprises which interfere with or supplant private functions. Government always should leave open ample opportunity to all its citizens for development of their own businesses.

**8. International trade:** As soon as the war permits, there must be a resumption of full and unrestricted operation

of private enterprise in the international trade field. The Trade Agreement Act should be continued. The merchant marine must be developed.

**9. International collaboration:** By an overwhelming majority, the Chamber's membership, by referendum, has voted in favor of the creation of an international organization to maintain peace and security. The war has demonstrated that world economic collaboration, freer world trade and international accord are essential for a sound and enduring peace. These the Chamber will work for.

Such is the outline of our program. But it is not enough to have "a program." The program must be made to work.

Effectuation of these policies is imperative if our economy is to meet successfully conditions that caused widespread unemployment and business distress after the last war. Nor can we stand on these things alone. Progressively the Chamber of Commerce must deal with new problems as they arise to perplex the economy, exploring new fields, embracing new ideas, recognizing always that business does not stand alone, and that its problems can only be solved right when they are solved in the public, as well as the business, interest.

For example, we believe there should be a closer relationship between business groups and educators. The social interest of business in education is obvious. But there is an economic interest. If we expect education properly to integrate into the political-economic system that we call the American way we must change our attitude from one of passive approval into one of active interest—which includes a willingness to spend more on education in order to help it make a still more important contribution to the up-grading of our economy. And so we have set up an educational committee to deal with the economic im-

(Continued on page 58)

## NEW CHAMBER DIRECTORS



BLACKSTONE STUDIOS

H. W. Steinkraus



EDMONSTON

R. H. Berry



HARRIS & EWING

A. M. Hill



F. L. Conklin



GLADSER-MITCHELL STUDIOS

W. J. Braunschweiger

FIVE new directors were recently elected to assist in carrying out Chamber policies: Raymond H. Berry, attorney, Berry and Stevens, Detroit; Walter J. Braunschweiger, Vice President, Bank of America, Los Angeles; Fred L. Conklin, President, Provident Life Insurance

Company, Bismarck, North Dakota; Arthur M. Hill, President, Atlantic Greyhound Corporation, Charleston, West Virginia; Herman W. Steinkraus, President and General Manager, Bridgeport Brass Company, Bridgeport, Connecticut.



# Dame Nature's Noblest Cordial

By DONN LAYNE

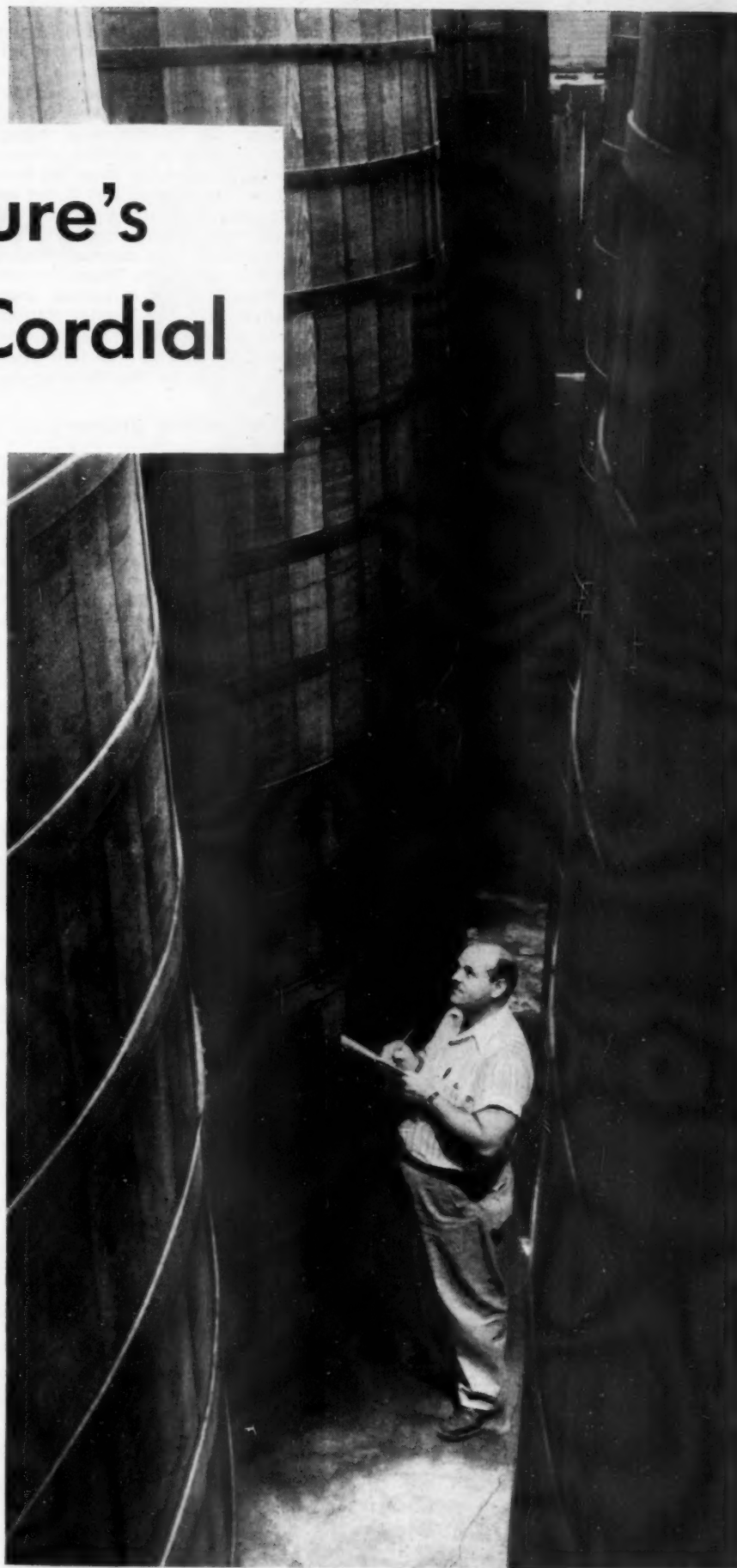
IN WINE MAKING, as in  
other fields, America begins  
to appreciate herself

SO MUCH has been written about wine—far more than about any other beverage—that a vast amount of misinformation, ritual, and pure nonsense has grown up around the subject. Dilettantes, epicures, and others have assured us for centuries that certain wines must never be served in gold goblets or with certain foods, that some wines must always be served in especially designed glasses, and that it is taboo to drink this or that type wine until some specified hour after midnight of the first full moon. Even the nomenclature of the wine making industry has bowed to this sort of tradition.

Wine, the pure, naturally fermented juice of fresh, ripe grapes, is a product of Nature. If a handful of grapes is crushed and the juice left in a bowl, it will turn into wine. The natural sugar in the juice changes into alcohol; that is Nature's way of preserving the juice. The grape is said to be the only fruit that will naturally preserve itself, with nothing being added or taken away. (Wine can also be made from other fruits but, when done, it is called by the name of the fruit from which it is made, such as peach wine, orange wine or blackberry wine. This article, however, will confine itself to the juice of the grape.)

## The ancients enjoyed it too

ACCORDING to geological evidence, the grape was available to prehistoric man; hence, our anthropologists assume that man drank wine before the dawn of history. We know certainly that the Chinese were making wine before the year 2000 B.C., and references to wine are found in the hieroglyphics of old Egypt and Babylonia. The peoples of ancient



A detailed history is kept of the thousands of gallons of wine aging in these huge storage tanks in the San Bernardino Valley



times worshiped a god of wine—Bacchus or Dionysus. The Bible tells of the cultivation of the grape in Palestine and mentions wine 165 times.

Wine was a natural for the ancients. It was easy to make, requiring no sustained fire as do the distilled beverages. As they had no assured supply of pure drinking water and no refrigerators, wine was welcomed as both a food and a beverage that would keep for some time without spoiling. Because protective, airtight containers were not easily made, or maybe unknown, the ancients either drank their wine while it was still young, or added preservatives such as pitch or spice. Naturally, the first wines were made from wild grapes, but so lost in antiquity are the first cultivated vineyards that there is no record of the beginning of wine making or of vine culture.

### Wine growing in America

WHEN that Norse warrior and adventurer, Leif Ericson, first visited the North American continent, he found grapes growing so profusely that he immediately named the country "Vinland" or "Wineland." Columbus, in his diary, mentions the luxuriant growth of grapes in the New World; and Cortez, the Spanish conqueror of Mexico, ordered that wine making become an industry in 1518, stipulating that certain holders of land grants must plant, each year for five

years, 1,000 vines for each 100 Indians living on the land, the vines to be brought from Spain.

Wine making soon increased so rapidly in the New World that Spain, fearing competition with its own wine monopoly, ordered all wine making stopped and declared all wine not imported from Spain to be contraband. But it did not stop, although for many years the extent of the wine industry in Mexico and Lower California was concealed from the Spanish authorities. Thus did wine follow civilization as it moved westward until, in 1771, the Mission Fathers established a winery (still standing) at San Gabriel, Calif. This was four years before the American Revolution.

### Our native grapes

EARLY steps were taken to encourage wine making along the Eastern Seaboard, particularly in Virginia, Massachusetts, Rhode Island, Georgia, Delaware, and the Carolinas. The earlier settlers had failed to make a palatable wine from the wild grapes, so, in 1616, Lord Delaware proposed to the London Company that something be done to establish wine growing on a business basis. This was agreeable and expert French vineyardists were sent over with cuttings from the finest European vines. But success proved elusive.

In 1658 the Jamestown Assembly offered a prize to any colonist who could

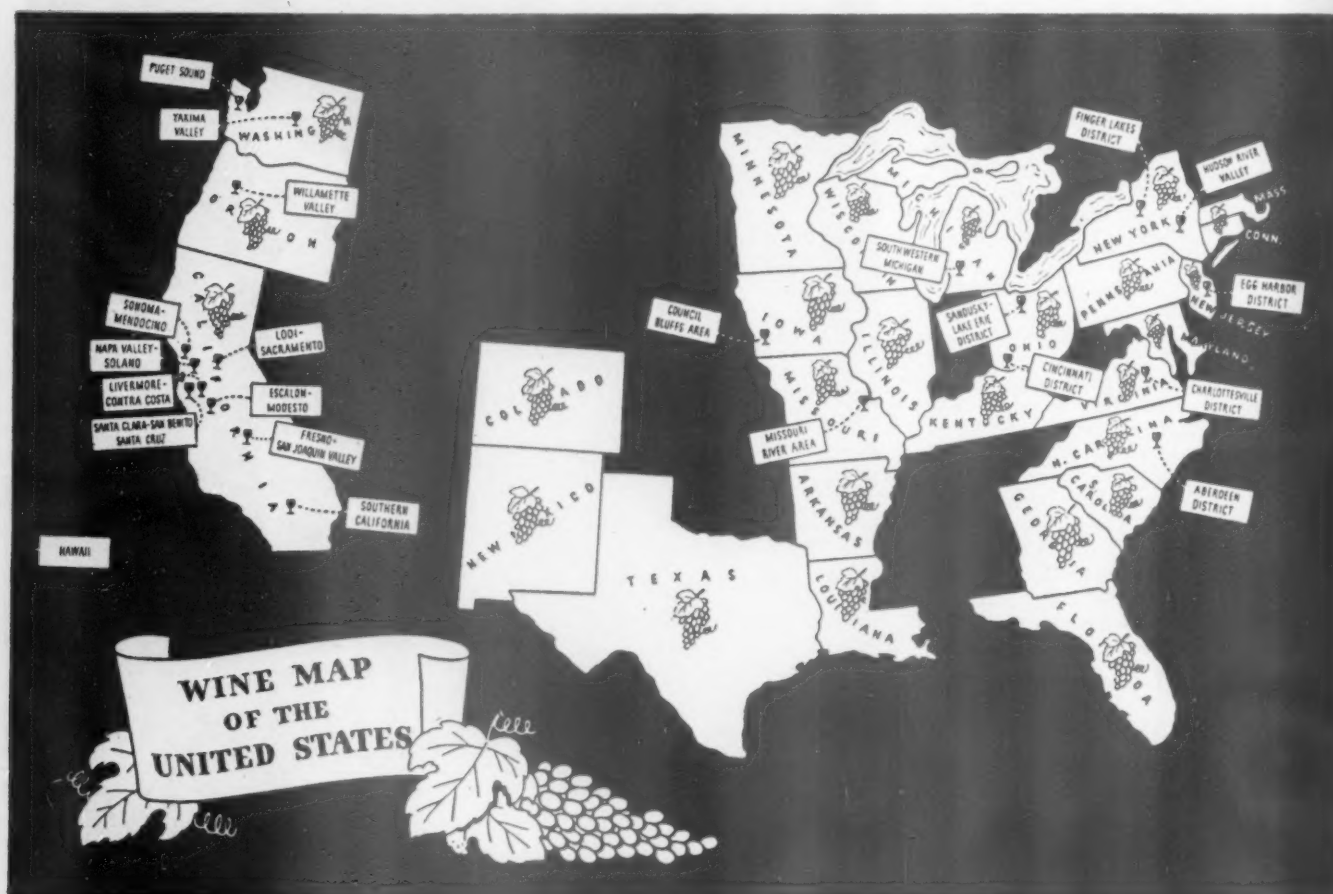
make a drinkable wine, but there was no winner. William Penn planted vines at Philadelphia (1683); John Winthrop tried near Boston, Jefferson at Monticello, and a group of Napoleon's former officers made futile attempts in Alabama. The European vines could not be acclimated to the strange soils and climates of the eastern seaboard.

### Doggedness and luck

IN THE late 1700's, however, John Dufour of Kentucky by accident began the domestication of our wild native grape, thus providing the first real stimulus to the development of American wine growing. In the years following, many native American grapes were crossbred and domesticated for wine making, among the more popular being the Norton, Ives, Niagara, Scuppernon, Concord, Catawba, and Delaware. The wines of all these grapes are distinctly different from those of European grapes, with rich, spicy flavors and aromas entirely their own.

Within 50 years of Dufour's success, Nicholas Longworth, grandfather of the late Speaker of the House of Representatives, popularized the Catawba at his vineyards near Cincinnati; and his Sparkling Catawba wine had achieved international fame before the start of the Civil War.

This early interest in wine growing (Continued on page 68)



Grapes are grown in 44 of our states. Wine is produced commercially in 27 of them. Before the war the United States ranked ninth among world wine producers. Now we may be near the top

# How Russia Goes at a Job

By JUNIUS B. WOOD

**THE RED ARMY** grew by plan. Understand that plan and you will be better prepared for Russia's post-war economic programs

**MENTION** of the Soviet Union today brings a mental picture of the Red army—millions of fighting men, disciplined, well equipped, ably officered—sweeping into Europe from the East. How different was the picture only three years ago when a war-nervous world awoke June 22, 1941, to read that the smooth-working Nazi war machine was marching into Russia. The question then in everybody's mind was not whether Hitler would get to Moscow but how soon he would be there.

Through the quarter of a century since the Bolshevik revolution, the world has cherished many mistaken impressions about the Soviet Union. The Red army was only one of them. Industry, foreign trade, statecraft, national strength were some of the others.

When the other war ended, Russia had no army,



SOVPHOTO

**The Soviet soldier today symbolizes the change which has come to Russia**

no commerce, no voice in world affairs, no heavy industry or systematically developed natural resources. It will have all of these after this war, and it behooves the rest of the world to awake to the changed Russia as it already has to the strength of the Red army.

The Red army, only one part of the Soviet system, symbolizes the changes which have come in Russia. The war will end and armies will cease to hold world attention, but the new Russia will continue. Not only the statesmen and social thinkers, but the farsighted manufacturers, the exporters and the business men of other countries must be prepared to meet the Soviet Union of the future.

I saw the Red army in those early days when its nearest resemblance to an army was a grim determination to fight for its country—men with matted beards and youths without fuzz on their chins; some in faded uniforms but more in sheepskin



**That the Soviet Union—starting from scratch—could prepare for modern war on a 2,000-mile front is a military marvel for all time**



coats, felt boots, fur caps and even shawls around their heads; weapons of every description, an occasional machine gun on a sled, men on homemade skis and others floundering through the snow.

I also saw the Red army in later years—smart appearing officers leading clean-shaven young men uniformed like peas in a pod, weapons at the same angle, some on tanks and others on gun caissons, airplanes overhead, all moving like clockwork—a modern mechanized army.

A story of the Red army is a story of all the changes in the Soviet Union—in industry, agriculture, commerce, science, art and the Soviet state itself. In other revolutions, armies and navies survived and continued under the new governments. The Russian army dissolved. Except for the outworn buildings, industry was not much better. Lenin had speeded the revolution during the brief Kerensky provisional government by urging soldiers not to obey orders (many interpreting disobedience as shooting their officers) but to go home and get their share of the land. When the Bolshevik Government came in, November 7, 1917, regiments which had not been dissolved by propaganda were liquidated forcibly. Soldiering ceased to be a vocation.

In a few months, the Bolshevik government claimed control of all Russia. In February, 1918, the Germans were in the Ukraine and Baltic provinces while a half dozen White armies were challenging the Bolshevik claim. A year later, 300,000 Japanese, British, French, American and Czech troops were in the country.

Realization that a government cannot live on propaganda alone but must have an army, came quickly. The treaty of Brest Litovsk, March 3, 1918, showed

that a government without an army also loses the peace. Moscow has remembered both lessons. A tidbit of the Teheran conference is that when one of the Big Three suggested the possible influence of the Vatican in bringing peace, Stalin dryly asked:

"How many divisions does it have?"

### An army of volunteers

THE army came into existence February 23, 1918. It was a volunteer army, officers elected by the soldiers, removable badges of rank to be worn only on duty, all orders to be debated between officers and men and "comradely discipline and respect shall be mutual."

The same lack of system had been followed in the factories. Anyone who was in Russia in those days remembers how workers changed jobs as fancy called, trains swarmed with wanderers from one city to another and "bezprizorny" (homeless children) ran like wolf packs through the streets.

The provisional government had organized and armed Red guards for the factories. The ex-soldiers had gone home and the Red guards volunteered, bringing their color designation with them. That was the birth of the "Workers and Peasants Red army" of today.

Incidentally, "red" in Russian vernacular antedates Communism by centuries, "krasni" being the popular approval of anything charming from a public square to a beautiful girl. When the last White army was dispersed, the Red guards were 5,500,000. About half had weapons. It was hardly an army because in the winter of 1919-20, 2,846,000 wandered away. Only 1,543,000 returned in the spring.

The new army leaders had as little military experience as the hastily formed factory committees had in business. Leon D. Trotzky, who had the military training of a printer's devil with a gift of oratory, was the first chief of the Revolutionary War Council. Frunze succeeded him, then Voroshilov, next Timoshenko and now Stalin who also is Commander-in-Chief and Chairman of the Supreme War Council, maintaining the Soviet tradition that all generalship is not acquired in schools.

Bill Shatov was commandant in Leningrad. Bill had been an I.W.W. organizer and boasted that he had ridden the rods on every railroad in the United States and could fill any job from pearl diver (dishwasher) to harvest hand. He later was commissar of rail and river transport in the Far Eastern Republic and eventually built the Turk-Sib railroad. In nostalgic moments, Bill would lament to me:

"All my life, I tried to keep men from working for pay and now I'm making them work without pay."

Out of 500,000 Czarist officers, less than 100,000 joined the Red army. This brought military commissars, that unique feature of the Red army, into existence. All officers were distasteful to Communist tenets while ex-Czarist officers were considered enemies of the proletariat and deprived of civil rights. The commissars were to watch the officers.

Poland gave the Red army the nationalism it needed. Russia is Russia, whether white, red or other color. On the Red square in Moscow is a heroicized statue of Prince Igor Pozharsky and Kuzma Minin, a butcher of Nizhni-Novgorod (Gorki). I once asked why a statue of a prince remained on its pedes-



A group of Partisans receiving instructions from a Red officer. The Partisans are mostly on their own. They cut communications, burn supplies—and larger bands attack boldly

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# "Why talk to me about Old Age?"

## I'm only 40!"

Even if you are only 40—or 35—here are some things you should know about growing old...

Since 1900, the average life span of Americans has increased about 17 years—a wonderful record.

One result of this trend is that more people now live to a ripe old age than ever before. About nine million Americans are now 65 or older.



However, the goal of medical science is not only to add years to your life, but also *life to your years*. Old age without good health can be a heavy burden... with health it can be useful and contented.

Doctors are doing wonders to help elderly people who suffer from the



chronic illnesses of later life—such as diseases of the heart... diabetes... cancer... Bright's disease... arthritis.

But doctors know that the best way to be healthy at 50, 60, 70 and beyond is to take care of your health at much younger ages. The reason?...

Diseases common to later life seldom appear suddenly. They creep up gradually, quietly gathering force for a number of years before they strike or become disabling.

The moral: Now is the time to start taking care of your health—before you



grow old. Visit your doctor regularly for medical checkups. Give him the opportunity to discover conditions which might lead to later disability... to uncover diseases in their early stages when they may be arrested or cured. Let him advise you about correcting faulty habits or living conditions which may be shortening your life.

As years pass, these suggestions will help you keep healthy and happy...

Keep your mind open to new ideas. Take up a hobby. Remember that, with age, less food may be required, but it should be carefully chosen. Regular, undisturbed sleep is essential. Drink plenty of water. Get sunshine, fresh air the year round. Moderate exercise helps keep muscles firm, the circulation active.

At any age, good health is a priceless asset. Guard it in every way.

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TO EMPLOYERS: Why not bring these important health facts to the attention of your employees?

On request, Metropolitan will gladly send you enlarged copies of this message for posting on plant or office bulletin boards.

tal, especially on the Red square facing the mausoleum of Lenin and with the departed great of party and state buried under the Kremlin wall.

"They led the Russians who drove the Poles out of Moscow," was the reply. That was in 1612, when Poland stretched from Baltic to Caspian. Again in 1920, Poland's attack put Russians above classes or parties, as armed intervention by half a dozen other countries had not done.

One day in 1920, an old man limped to a gate of the Kremlin and asked to see an officer. He introduced himself as General Brussilov, as surprising as if he had said he was Napoleon who once was smoked out of the same Kremlin.

General Brussilov had been chief of staff of the Czar's armies. His leg had been broken and he had been bedridden, fortunate for both the Red army and him as shooting ex-officers was a popular pastime. He wanted to fight the Poles. He was made president of the Supreme Council of War. His military funeral in 1925 was the best I ever saw. The widow was permitted to bury him later with Orthodox church rites.

### More discipline in the army

THE election of officers was abolished in 1922, the salute was restored, the removable badges of rank were replaced by collar insignia and in February of last year the epaulets and gold braid of capitalism returned, the commissars were removed and disobeying an officer became a capital offense.

The social equality of officers and men did not change, soldiers are not personal attendants for officers. Commissars were restored after the 1937 purges but their duties now are those of chaplains and morale officers in other armies, and the instruction in political and class consciousness has never relaxed. In 1939, Voroshilov stated that 50 per cent of the soldiers, 68 per cent of the junior officers, 72 per cent of regimental officers, 90 per cent of divisional officers, and 100 per cent of general staff officers were Communist party members.

Of seven marshals, Voroshilov, Timoshenko and Budienny were soldiers, not officers, in the old imperial army. Budienny, like President Kalenin, still is one of the plain people. Every time we lifted a vodka together, he told me how he almost became a citizen of the United States.

He was a sergeant in the Russo-Japanese war, also in World War I, but became famous as a Red cavalry leader in the revolution. Before all that, he and a brother saved their kopeks to come to America. When the great day arrived, young Semion was sick and the older brother came without him.

While the men who rose to high ranks in the Red army had been better trouble-makers than soldiers of the Czar, they had learned what an army should not be. The Czar had weapons for only one-tenth of the 19,000,000 men mobilized, transportation and supplies became less

adequate daily and finally ammunition was so short that batteries were limited to three shots a day. The ex-soldiers knew from bitter experience that any army must have equipment and supplies, also realized discipline is necessary.

Their enthusiasm for machines was that of a soldier who never had one. Germany was a great help, a fox outsmarting itself. Under the 1922 treaty of Rapallo, Germany provided military instructors to the Soviet Union and the Russians were apt pupils. Germany was not interested in Russians but wanted to train its own young men in arts of war forbidden by the Treaty of Versailles.

Nor were Americans interested in the Red army when they built tractor and truck plants at Gorki, Stalingrad, Kharkov, Cheliabinsk and Leningrad. The Russians, however, tailored their heavy industry to Red army needs. Few discovered what they were doing.

Voroshilov reported that army motorization averaged 7.74 horsepower per man in 1934, and 13 horsepower in 1939. The same prewar report said the firepower per man was 30 per cent greater than in either the French or German armies. Artillery and tanks, with small mobile units, are a distinctive part of Red army tactics. Its planes control the air on the eastern front.

Compulsory military service for men between the ages of 19 and 40 was restored in 1922. Between 60 and 70 per cent of the 19-year-olds are physically acceptable, providing an annual levy of 1,500,000 or more than 25,000,000 who received military training before 1941.

Since the war, boys of 17 or less, and women and girls are in uniform. Service is for the duration. In normal times, a recruit has two years of army duty and then goes into the active reserve for eight years, being recalled for annual maneuvers. He then goes into the inactive reserve. In the navy, the active service is three or four years, depending on the classification.

Military discipline actually starts for



"Not even a fox hole"

boys and girls in children's organizations when they are ten years old and continues to the grave. Obedience to the state is an old Russian custom and the Soviet system has made it absolute. When a soldier finishes his military service, the state which owns the factories and fields, transfers him to another job but he still works for the state of which he is a part. Industrial or agricultural service is just as compulsory as military and the state decides the time, place and pay.

The soldier or sailor who advances to a non-commissioned rating can remain in service with his commanding officer's approval. If he is diligent and acquires a secondary education, he can become a candidate for an officer's commission. In the early days, only five per cent of the candidates had that qualification and 40 per cent were barely literate.

### Officers from the ranks

TWO features distinguish the Red army from others: First, an officer must serve as a soldier before receiving a commission; second, promotion is by selection and not by seniority. The same rule applies in industry, higher education and all other activities—everyone must start as an ordinary worker.

In early years, appropriations for defense were smaller than for culture which included education, health and social insurance. The ratio changed but in 1937 it was only 18.6 per cent of a 96,000,000,000 rubles budget. With war threatening, it increased 54.7 per cent in 1938, compared to a total budget increase of 22.8 per cent.

The budget totals and the percentages for defense in later years, are: 1940, 174,000,000,000—32 per cent; 1941, 191,000,000,000—46 per cent; 1942, 183,000,000,000—59 per cent; 1943, 210,000,000,000—59 per cent; and 1944, 246,000,000,000—52.3 per cent.

Considering the differences in economic organization, costs of production, rates of pay and other factors, it is plain that whatever the cost of the Red army, it cannot be a basis for estimating the cost of a similar conscript army in the United States—except that it would be many times as expensive in this country.

With its new-found love of machinery, the Red army tried everything. Our army was the first to use parachutes, later abandoning them as a fad. The Red army took them seriously until it could move a division with artillery, and once took up an entire village, grandmothers and children, to sprinkle over the landscape.

It disclosed nothing about its own army but tried everything new of other armies.

Though they do not win great battles, the Partisans, as they are called, are an effective adjunct of the Red army. Guerrillas are as old as history but Russians look on their Partisans as a military development of the revolutionary spirit which sabotaged and harassed officialdom of old Russia.





Produces enough 100-Octane Gasolene to send 1,000 bombers over Germany every 24 hours.

## CITIES SERVICE

dedicates one of the world's largest  
100-Octane and Butadiene Plants

WITH THIS giant plant at Lake Charles, Louisiana, Cities Service, in cooperation with the Government, takes a tremendous stride toward meeting two most vital war needs.

Sired by the necessity of War, the plant means more power to the armed forces, for it turns out great quantities of high-octane aviation gasolene and ingredients for synthetic rubber.

Created from the ground up, it includes the very latest discoveries and inventions; and it is wholly dedicated to bringing the War to an earlier close. This great accomplishment is an outstanding example of what can be achieved by the winning team of Government and Industry . . . working together, shoulder to shoulder, in the battle for Freedom and Peace.

**GASOLENE POWERS THE ATTACK—Don't waste a drop!**

### ✓CHECK LIST OF OUTSTANDING FACTS...

1. The Refinery produces enough 100-Octane Gasolene to send 1,000 bombers over Germany every 24 hours.
2. Ten per cent of the Nation's normal rubber demands will be supplied by the Government-owned Butadiene Plant, operated by Cities Service, and the Government-owned rubber plant, operated by Firestone.
3. The Refinery alone covers 600 acres.
4. Powered by enough electricity to light a city of 250,000.
5. 275,000 gallons of water per minute are pumped into the refinery.
6. 25,000,000 man-hours went into its construction.



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and bring him back *HOME!*"**

**T**HROUGHOUT the Nation there is a mighty yearning in millions of hearts for the long awaited homecoming that will follow Victory. On battle fronts, through danger and hardship, it throbs in every fighter's breast. There is need for all of us to do *more than before* to speed its fulfillment.

We all know what War Bond purchases accomplish—how they maintain the vital flow of weapons to fighting fronts, what a splendid investment they are, how they help keep prices down and build reserve purchasing

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But the 5th War Loan means still more. It is more important than any in the past, for its special purpose is to keep pace with a greatly intensified military drive that will sweep us with *increased speed to Victory!* To make it a real "V-Loan", all of us must open our purses gladly and *buy more than before*—and thus hasten the day when we can open our arms and hearts for the glorious Victory home-coming!

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When I was with the American army in Siberia, a Partisan leader came into camp and in excellent English introduced himself as Abe Krasnochokov. I had known him as Stroller Tobelson when he was head of a night school in Chicago. Later he was president of the Far Eastern republic, president of a government bank in Moscow, an exile to Siberia and then chief of a government project to raise a substitute for cotton.

Partisans of today are village leaders, clerks, peasants, women and girls. Most of their equipment has been captured from the Germans. They interrupt communications, burn supplies—and bands which have grown to regiment size attack boldly. When communication is possible, they cooperate with the Red army but the Partisan is mostly on his own, facing the guerrilla's penalty of death when captured.

Less spectacular than the Partisans but more important in Red army operations are the humble peasants. Their carts and strong backs always supplement and often substitute for motor transport in moving supplies. They do most of the work, building roads, trenches, revetments, for which labor battalions would be necessary in other armies. It is their army, fighting for their homes, and they are as much a part of it as if they wore a uniform.

## Tough soldiers, tough army

**THE** Red army soldier is tough physically. He takes climate, mud and discomforts in stride. He may get one meal a day, or none, never three hot ones. His wounds are dressed, when and if, and he is not pestered by the dietitians, neurologists and questionnaires of more scientific and more pampered armies.

Communist writers contend that the Red army is victorious because its men know they are fighting to defend the socialist state. A simpler explanation may be that a Russian, courageous and stubborn, always would fight to defend his country. In this war a capable government gave him the weapons and leadership.

The basic reasons for the Red army's success are crystal clear: it trained the men, developed the officers, produced the supplies and—that great essential of successful military operations—kept so quiet about its preparations that the enemy did not know what he must face. The same secrecy explains the too prevalent undervaluation of the Soviet Union's industrial and economic strength.

That, starting from nothing only 20 years ago—with neither soldiers, weapons nor officers—an army could be trained and equipped for the intricacies of modern war and that the generalship for a campaign on a 2,000-mile front could be built is a military marvel of all time.

The building of the Red army and its strength is also the story of the creation of a state-controlled economic organization which, like the army today, will emerge from its former boundaries after the war.

# Our Communists' New Line

By LAWRENCE DRAKE



**AMERICAN REDS** say they now endorse capitalism. But this observer believes they plan to work through accepted groups to try to destroy the middle class

Russians now charge their schools not to teach this theory.

These two developments in world Communism—particularly since they appeared to coincide—have attracted a great deal of attention. They have increased the optimistic feeling prevailing in some circles that Russia, after all, has been going our way. With Soviet Russia appearing to be moving toward capitalism, it seemed only natural that the American Communists should retire in defeat. But they have not.

## What our Reds are up to

THE American Communists have never been great favorites of Stalin's. Chances are he has been too busy lately to take much note of what they have been doing or that Moscow is not the source of the American Communists' new role.

There is, however, more to what has happened in Russia and what has happened here than meets the casual eye—and the two developments go together. Russia's new line can be left out of our reckoning for the moment. But it is highly important for the business man to know what our Communists are up to:

1. Our Communists' new line is purely a maneuver, double-talk to disarm the business man while the Reds go underground.
2. The new line is temptingly baited with capitalist-sounding talk of world trade and American prosperity, so as to betray both management and labor into backing a hot-house global industrialization scheme designed to prepare the whole world for Communism.
3. It is aimed to divide management and to undermine capitalism's social and political base by hastening the economic liquidation of the smaller business man and the middle class.
4. Though our Communists have not taken directions for their latest move from Russia, their new attack nevertheless revolves about Russia. It aims to involve management in an effort to make America subservient to Russia. One American Communist has admitted that the whole new line is merely

**The American Communists' new line is purely a maneuver, double-talk to disarm the business man while our Reds go underground**

THE COMMUNIST PARTY of the United States has dissolved itself as a political party. It has become the Communist Political Association and is devoted to "the advancement and protection of the interests of the nation and its people."

Its constitution provides for the expulsion from its ranks of anyone who seeks "to subvert, undermine, weaken or overthrow any or all institutions of American democracy."

As part of the change-over from a political party to a political association, the Communists in our country have cast overboard the doctrine of class con-

flict, they tell us. They now endorse free enterprise and denounce attacks on capitalism as dangerous to national unity and world peace.

Soviet Russia's official economists have also announced a modification of the Communist doctrine at home. They now say the Soviet economic system is surplus-motivated. Accordingly, it recognizes the importance of profit, savings and capital accumulation.

Russia's new line goes counter to traditional Communist thought. In the Marx labor theory, profit is looked upon as legalized theft of the worker's just share of the product of his labor. The



a false front, saying: "... whatever changes we may make in our party's name and electoral status, our fundamental objectives and characteristics will remain."

Changing conditions call for new tactics, new slogans, new ideas. The new line reveals the tactics by which the American Communists hope to make the present situation serve their ultimate objective—the subversion and destruction of capitalist society. Let's see what is behind the new tactics.

### Dissolution of the party

THE Communists in our midst have dissolved themselves as a political party because they are convinced, they tell us, that America's war and postwar needs can be served effectively only through the traditional two-party system. Do our Communists, then, resign themselves to the policies and politics of the two parties? Certainly not.

**First**, they are conducting an intense membership drive to build up a strong national propaganda machine to promote their own ideas.

**Second**, they have dissolved themselves as a political party so they may carry on their activities through the Republican and Democratic parties more effectively.

This in substance is old stuff. In 1934, the Comintern ordered U. S. Commu-

nists to infiltrate bourgeois parties, societies and institutions, including the church. They did so. But, on the whole, their effort failed. Because they existed as a separate party and held to a rigid party line, based on class conflict, they were easily identified. Legal troubles added to their difficulties. The FBI took a hand in watching them.

The debates on the question of changing the party's name and its electoral status revealed our Communists' awareness that the handicaps they suffered as a party seeking office at the ballot box were real whereas the advantages they enjoyed were questionable.

Reorganized, they now hope to remove the handicaps. They no longer can be accused of being a party conspiring to overthrow the Government by force. They are now for "national unity, national prosperity and world peace." They are everything tempting to all sane men.

The business man has failed to insist that America define herself in national and international matters as a capitalistic country, that we adopt policies at all points consistent with this definition, and that we analyze our problems—political as well as economic—in terms of this definition.

Lacking such an analyzed and considered base, the business man is not always clear about our trends. He is in no position easily to distinguish between a real pro-capitalist policy and the spurious pro-capitalism of our Communists. The Communists are taking advantage of this confusion.

Our Communists have been unable to disguise the fact that their action in dissolving their party was forced on them largely as a result of their own irresponsible acts.

In 1917, Czarist Russia's small middle class proved a

push-over. That misled the Communists into underestimating the strength of the middle class of the capitalistic countries. This error betrayed them into bad tactics. They failed to win the workers and succeeded only in driving the European middle class into the arms of the Fascist and Nazi reaction.

When Hitler came to power in Germany, the cumulative results of the Communists' tactics—a skeptical and disillusioned working class and a hostile middle class—proved fatal to the Communists of Europe and placed Russia in mortal danger.

The Communists in Russia openly recognized their errors and tried to correct them in their first attempts at a popular front against Hitler. Today they have admitted to the world that the situation calls for a complete break with the past.

Russia has been saved, in good part by the aid of the capitalistic powers. Our Communists predicate their new tactics on the belief that postwar Russia, in which they are naturally very much interested, will for some time continue to need the help and friendship of the capitalistic powers.

That is why they have dropped all revolutionary slogans and abandoned all tactics based on class conflict. But they make it clear that they regard this as only a temporary expedient. They emphasize that they do not mean to sacrifice their objectives. They also reiterate their stand on the importance of the class struggle in history.

### To accelerate monopoly

HOW then do our Communists hope to weaken the American middle class during the present underground phase?

They are making their calculations, they reveal, in classical Communist terms. According to Marx, the middle class is characteristic of only the "lower" stages of capitalism. *Monopoly capitalism*, cartel capitalism and state capitalism, they hold, must, and will, in due course eliminate the middle class.

The middle class is still strong economically, therefore capitalist society is not yet ready for Communism. But, if a trend toward monopoly, cartel and state units could be inaugurated and accelerated, this process of itself would destroy the middle class—Marx's enemy.

We need not accept the implications of inevitability in this Communist premise. However, we must face the fact that monopoly, cartel and state capitalism do tend to force the small business man to become either a salaried employee or a wage-earner. Once the small business man and the middle class were eliminated, capitalism would lose its popular base. The road is opened to Communism.

This objective—acceleration of an economic process to destroy the middle class—is the core of our Communists' new "pro-capitalist" policy. This policy openly defends the right to form monopolies. It sneers at the antitrust laws and denounces all attempts to interfere with any advancement toward monopoly.

Our Communists have simply re-



If the small business man is eliminated, capitalism would lose its base and the road would be open to Communism

# Warehouses that Go to Sea



War Bonds keep supplies moving!  
DOUBLE YOUR BUYING IN JUNE AND JULY

To supply our far-flung forces in the vast Pacific, Uncle Sam's provision ships are keeping appointments with naval task forces and calling at remote island bases dispersed over thousands of miles of enemy-infested waters.

These floating warehouses are stocked with supplies of more than 12,000 different items . . . food and clothing, engine parts and hardware, radio and electrical equipment, pharmaceuticals and medical supplies . . . a multiplicity of things constantly needed by fighting ships and fighting men.

The thickness of the ship's bulky supply list suggests the tremendous amount of work required to procure, assemble and distribute these items—work that involves countless hours of careful figuring and voluminous, up-to-the-minute accounting records.

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NATION'S BUSINESS for July, 1944



treated from what turned out to be a disastrous frontal attack—and are carrying on from the underground. All they need now is a seductive program to accelerate monopoly capitalism in a big way. They have such a program.

### Global industrialization

THE American Communists say their plan is based on the spirit and understanding of the Teheran conference for postwar collaboration between Russia and the Allies.

America's No. 1 Communist, Earl Browder, presents the plan disarmingly:

"The basic feature of this economic problem of the postwar period (employment in the U. S.) is large-scale programs of industrialization of Latin America, Africa, Asia, Europe. There are two ways in which such large-scale projects for economic advancement could be carried through. One would be through a governmental economy; another would be through the large organizations of capital, that is, monopolies and cartels. . . ."

The results of such a large-scale shifting of our economic effort into foreign fields, particularly if it is done under forced draught, would have the same effect on small business—or about the same effect—whether done under a governmental economy or through monopolies and cartels.

The Communists, however, admit they cannot risk antagonizing the middle class by raising the bogey of socialism. Therefore, says Browder:

"Any plans for American postwar reconstruction which are based upon the introduction of socialism are, in effect, a repudiation of the . . . Teheran conference."

The American Communists now have reasons to feel self-satisfied. They have a new underground organization and, for the present, an improved respectability. And they have a plan with universal appeal. But that is not all!

Russia's new line—laying emphasis on profit and capital accumulation as basic motives in Russia's future economy—has been hailed in America as taking Russia another step away from Communism. But Russia's economic system is not Communist, and never has been. Lenin never claimed it was Communist.

A Communist society is one in which the people themselves control the productive forces and—in unlimited and classless democracy—determine for themselves, with the aid of government experts, the type and volume of production. Such a society gives no thought to profit but only to production for the satisfaction of the people's physical and cultural needs.

Russia never attained such a society, although this was the aim of the revolution. What Russia has today is plain state capitalism. The whole society is a single capitalistic corporation, state-owned and managed. Soviet industry has always tried to produce on a profit basis. Whenever it succeeded, it has boasted of it.

As a capitalistic country, Russia can

no more practice isolationism in the future than we can. Our system of mass production exercised a revolutionary influence on the economic structure of the industrial nations. So, too, Russia's system of total capitalism—the industrial nation as single monopoly under the economic state—will exert an influence on other nations.

If Russia is not and never has been Communist, what does her new line mean? The Russian rulers formerly justified iron dictatorship on the ground that Russia must industrialize herself—first, to prepare for Communism; and, second, to meet attack by the world's non-Communist powers.

The expected attack has come. Russia has tested her strength and has found it great. The masses expect a victory. They are approaching the day when they may hope to reap the first benefits of the long-promised Communist and democratic reforms.

Their Government's new line, however, is merely a message to them that true Communism is still in the future; that meanwhile there is only state capitalism.

The new line does not break with the Communist tradition, it must be noted, but merely redefines the terms and corrects some of the attitudes to suit the present situation.

### Russia seeks world trade

THE Communists here in our own country have a clear picture of what this means to America. Russia is moving into its higher phase, greater influence in foreign markets. While the capitalistic countries are forced by their development to raise real wages, Russia will go in the opposite direction. With her resources and new productive power, Russia will be able to make a bid for world trade.

What the American Communists hope is that Russia's competition will in many cases be total, that it will draw other countries into its own orbit and make them state capitalistic—and that America will be more or less shut out.

They hope that Russia's type of total competition will force us to put our own government into business. The competitive consequence of state capitalism on the world's markets will be dangerous to the small business man everywhere. Our Communists, therefore, figure that the process of liquidating the small business man is off to a good start.

Once that liquidation is accomplished, the rest is easy as they see it:

They believe that we will have by that time an enormous bureaucracy, naturally statist; that we will have an enormous and largely organized working class, largely statist. We will have a large salaried class, they believe, playing with the managerial revolution concepts, merely a self-conceited way of approaching state capitalism.

We will have a small capitalistic class, our Communists believe, largely internationalized, its tail in a bear trap. Our middle class, they feel, will be reduced to ineffective proportions—a push-over for the Communists.

## Communists at Work

ALTHOUGH there were only about 80,000 registered members of the Communist Party in the United States of which not more than 25,000 voted for their Congressional representatives in 1942, this seemingly insignificant group is not to be sneezed at.

If the Communists should enter the Democratic and Republican ranks and start whooping it up for lower corporate taxes, business, international trade and a large merchant marine, how will anyone be able to tell the difference between them and old-time members of either of the major parties?

Of still greater importance is the fact that where the average Republican or Democratic voter "works at it" only one day out of every two years, the Communist keeps drumming away at it every day of the year. That is why such a small number have been able to create so much agitation and fuss in so-called "liberal" schools of thought.

Politics makes for strange bed-fellows but it remains to be seen whether or not the infiltrative practice of the Communists will push the old-timers out the other side.

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AMERICA  
STRONG  
BUY  
WAR  
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## HOW AIRFIELDS GROW ON MUCK, ON SAND, ON TUNDRA

ON world-wide battle fronts America's planes are taking off on missions against the enemy—taking off from desert sand, jungle muck, or Aleutian tundra.

In a matter of days, bulldozers shove aside the muck or level the sand. And giant cranes lay steel landing mats that are bolted into a landing strip.

Look at the engines in these bulldozers and cranes. You'll find familiar friends—the same friends

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And in these rigorous jobs of war, a promise is being written—a promise of plentiful, dependable, easily maintained, low-cost power for America's needs in the peacetime days ahead.



*GM Diesels—because they are smaller in size, lighter in weight—propel boats farther, and for longer periods, with less fuel. They'll handle the catch, supply power for the refrigeration, and hasten deliveries—all with marked savings. Under the impulse of war, production has so advanced that this dependable low-cost power will be available for greatly extended use in peacetime.*



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# Postage Stamp Stampede

By PAUL D. GREEN

**ACCORDING** to the latest available figures, there are now 12,000,000 stamp collectors in the United States. About 5,000 stamp dealers are trying to satisfy today's yen for the colorful bits of paper.

Philately has grown into a multi-million-dollar industry, largely as a result of the war. It is estimated that America's stamp dealers now buy, swap and sell close to \$100,000,000 worth of postage stamps a year, enough to paper the White House.

The \$1,300,000 stamp collection of the late Col. E. H. R. Green (the largest privately owned stamp collection in the world) was put on the market recently to be auctioned off by seven high-powered distributors. These stamp auctions are conducted exactly like auctions of jewelry, art and antiques. The stamps in the Green collection have brought 15 per cent above their appraised value—which gives you an idea of the present market.

Such activity, it is believed, is due in part at least to the fact that some investors are seeking special investments as a bulwark against inflation, although stamp dealers do not like to admit it. Investors do not make good philatelists but they do create an artificial expansion of the market which may or may not have permanent effects.

The foremost diagnostician of the rising blood-pressure of the stamp industry is Scott Stamp & Coin Co., a venerable philatelic institution on 47th Street near Fifth Avenue, New York.

## The standard catalog

SCOTT'S has been issuing the "bible" for stamp collectors since its founding in 1860. Scott's annual catalogs, listing nearly every stamp issued, in all possible varieties and values, is the standard reference for stamp traders. Of late, the catalog has had difficulty keeping abreast of the market.

Scott's monthly journal keeps dealers and collectors up-to-date. Many items today are selling at higher than catalog prices, something rarely experienced in the stamp industry before the war.

The president of Scott Stamp & Coin Co., Norman Serphos, views the current boom dispassionately and foresees an even greater postwar prosperity.

"The whole postage picture in Europe will change when peace pacts are drawn up, and many new stamp issues will be



**LARGELY** as a result of the war, philately has become a multi-million-dollar industry. Investors in Europe feel safer today putting their money into stamps than into old masters

born, old ones discarded," he says. "Europeans in an uncertain frame of mind are investing heavily in stamps of all varieties. Stamps are easy to handle. A large investment can be confined in a small, portable unit. Stamps are easily negotiable, cannot be traced and seem to be a stable commodity. They have replaced old masters and art objects as investment, because art objects too often are bulky, hard to take care of and hard to sell in a hurry."

Some refugees fleeing the stomping goose-steppers contrived a neat way of getting fortunes out of their native lands—in stamps, smuggled in bibles, shaving kits and coat linings. It is a matter of record that at least two such refugees realized a half million dollars from stamps sneaked out of Europe.

Numerous emigres have put themselves in business as active competitors to established American dealers, but apparently there is plenty of room in the buzzing stamp marts. The activity stirred up by unloading of refugees' stocks in America is one of the contributing factors to the upsurge in the stamp industry.

Numerous new issues have recently cropped up in Europe and Asia, but Mr. Serphos says only about one-third of them are known in America. After the war there will be intense activity in uncovering those that are now unobtainable.

We do know, however, that several governments in exile have issued their own stamps. Czechoslovakia, Poland and the Netherlands are using special stamps in London; the De Gaulle government has overprinted old French issues with "France Libre" for use in Africa and the colonies.

Even General Tito of Yugoslavia has a "Partisan" postal system set up within its guerrilla territory. Such philatelic curios will have a high trade-in value after they are discontinued.

In the midst of her greatest catastrophe, beleaguered Germany has maintained a ten-year "Winter Help Work" semipostal series with a recent 12-pfennig stamp which pictures a mother and four children, to reflect the "happiness of Germans under the New Order."

This issue has been completely absorbed by investors. A sheet of the first issue of this series, dated 1933, with a prewar value of 2.40 marks or \$1, has skyrocketed in value to 1400 marks or \$560. In addition to proving such a lively instrument of private investment, these semipostal issues are profitable finance measures for the German government.

## Enemy stamps outlawed

WITH each swoop of the swastika over Europe, Germany added millions to her exchequer by issuing stamps of the country she occupied, disposing of them through neutral sources.

One of the first things the Japs did when they overran the Philippines was to put out a large postal issue. This is a time-worn practice of conquerors, the first step in establishing authority and financing their government.

This dubious piece of business was crippled, however, when we entered the war and our government outlawed trading in stamps issued in Axis-controlled nations after January, 1940.

Our own Government has augmented its war finances no little by profitable philatelic issues, such as the popular series of 12 five-cent bichromes featuring the flags of overrun countries. At the Washington Philatelic Agency of the Post Office first day sales of unused blocks of these stamps and postmarked envelopes bearing them averaged \$25,000 for each stamp—a total of \$300,000 for the entire issue—almost all clear profit.

Post offices throughout the nation practically doubled this figure. Such stamps lose themselves immediately in specialists' collections throughout the nation, to eventually reappear at a higher catalog value.

The stamping grounds of philately thus have proven to be a highly profitable release from realism.

"He wants to know... can he  
buy the fan for his place"



"Well, son, can't blame him for  
wanting our **EMERSON-ELECTRIC** Air Circulator"

"Guess you don't know, but we'd lose business if we gave up that fan. Folks sorta depend on its breezes to cool 'em off when they come into our store—and we couldn't get another till after this war's won."

Circulator—it goes on blowing quiet and strong, summer after summer, just like the salesman told me it would. That Emerson-Electric 5-year guarantee backs up everything he said."

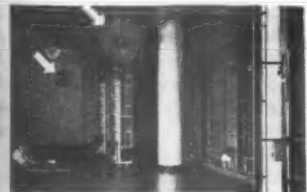
*An illustrated catalog describing Emerson-Electric Air Circulators is available for postwar planners.*

"One thing about that Emerson-Electric Air

**THE EMERSON ELECTRIC MANUFACTURING COMPANY**  
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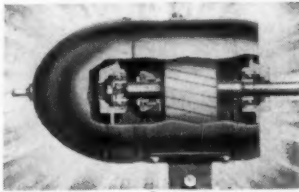
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Ceiling or floor-column mounting permits locating of Emerson-Electric Air Circulators to avoid "dead air" pockets.



Emerson-Electric Air Circulators installed in workrooms reduce "fatigue loss", and increase production.



For longer life, these Air Circulators have special thrust-type grease-packed ball-bearing motors.



Emerson-Electric is now engaged almost 100% in producing equipment for the armed forces of the United States.

395

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MOTORS • FANS

APPLIANCES



## Innkeepers And False Profits

(Continued from page 23)

expand to handle five times as many passengers as in 1941.

"When you're going along on your nerves because all you've had is *hors d'oeuvres*: don't forget we now serve three times as many people in Peacock Court and the Grill Room as we did in 1941, and have only half as many waiters. Our kitchen staff is smaller, too."

### Cooperation from guests

ONE hotel, in a move to help meet its labor shortage, offers a discount to the guest who is willing to make his own bed and to get along without maid service except when absolutely necessary.

This was given a twist on a recent Jack Benny radio program:

"We can give you a room," says the hotel manager, "but you'll have to make your own bed."

"O.K.," says Benny.

"Here's a hammer and saw," says the manager, "you can start right in."

Dishwashers and pot-washers used to be plentiful at \$18 a week plus meals. Now you can't get them at double that figure.

A business man who had occasion recently to visit the kitchen of a fashionable mid-West hotel, found the head chef hovering over an unshaven individual, serving him choice dishes and wines at a table decked out with snowy white linen and the hotel's best silverware.

"Who's the strange-looking guy getting all the special attention?" the visitor asked the chef when he got him to one side.

"He's our pot-washer," said the chef. "We've had him two days and don't want to lose him until after tonight's dinner."

Department managers and assistant managers, too, are hard to get and hard to hold—either experienced or inexperienced.

Another big problem for the hotel man is food rationing. Every hotel is in the restaurant business in a big way, and the hotel man is rationed the same as the housewife.

Hotels are feeding many more persons than before the war. Keeping the increased number of patrons well satisfied and, at the same time, staying within the restrictions laid down by the War Food Administration and the Office of Price Administration calls for ingenuity.

Hotels have streamlined their menus. Where they used to offer 12 to 15 entrees, now they offer five to eight. Varieties of soups have been reduced from five to two, desserts from ten to five. Extras have been eliminated.

The American Hotel Association recently conducted among its members a prize competition for the best "no-point, low-point" recipes and has made the winning recipes available to all "institutional feeders."

The association went a step further and reduced to family size the recipes for 98 favorite wartime dishes of America's greatest chefs. These are printed in a booklet called "Wartime Recipes by Famous Hotel Chefs." Housewives may obtain a copy by writing the American Hotel Association, 221 West 57th Street, New York City, and enclosing a dime.

"As a result of the hotels' new menus, the public is eating more intelligently than before the war," says John L. Hennessey, vice president of the Statler Hotels Corporation and chairman of the hotel industry's committee on food rationing. "Salads and green vegetables now have a place on dinner tables where steaks, chops and starches were once served alone. Americans will revert to most of their pre-war eating habits when peace comes and all foods are plentiful, but there will be some changes for the better."

With the wartime problems growing out of rationing, shortage of help, and too many applicants for too few rooms, the hotel man has been able to cope. The public has been sympathetic and understanding and the hotels have done a remarkably fine job in housing the traveler, especially the service man.

Says the New York City Recreation Committee, which works closely with the hotels in getting rooms for service people, "In more than three years, not one person in uniform who has applied

through our office for a hotel room has had to go without accommodations."

The hotel man's big headaches, however, have to do with replacements, maintenance and repairs.

Though he is glad to be busy and, like other business men, would rather have too many customers than too few, the present onrush of guests is wearing out his carpets, furniture, towels, plumbing, elevators, sheets and blankets at an accelerated rate. Untrained help, much of it pushed to the limit, is breaking his chinaware, glassware and equipment as never before.

The hotel man has cash. He would like to go out and buy operating replacements but finds few, if any, replacements on the market.

Given the opportunity to do so, America's hotels would today spend \$110,000,000 for guest room and housekeeping supplies to meet pressing needs, according to a survey made by the national association.

On the want list are: 7,400,000 hand towels, 4,800,000 bath towels, 3,800,000 pillow cases, 3,500,000 sheets, 190,000 mattresses.

Other needed items: 64,000 garbage cans, 27,000 kitchen knives, 2,500 dishwashing machines, 25,000 vacuum cleaners, 80,000 carpet sweepers, 1,725,000 yards of upholstery material, 11,000,000 yards of carpet.

### Materials are scarce

THE hotel man is not howling calamity. He is too busy for that. But the truth is that he does have to stand by and watch his whole property deteriorate much more rapidly than it otherwise would if kept in constant repair—and there is nothing much he can do to protect it against the "ravages of excessive use."

In the face of the present high demand for rooms, it would be unpatriotic to close off floors or sections and turn them over to repair crews, even if repair crews were to be had. Moreover, materials for refurbishing and redecorating are scarce, are of inferior quality in many cases—and WPB limits their use.

WPB will not permit a hotel to spend any more in 1944 for maintenance and repairs than in 1942 despite increased wear and tear and higher prices for labor and supplies.

Plumbing supplies have gone up 20 per cent in cost since '42. Carpeting is up more than 45 per cent. Upholstery fabrics are up 50 per cent. Painting is half again as much as it used to be. Inferior grade china—Victory china, it is called—is up 20 per cent.

One 600-room hotel finds that it already needs \$106,000 worth of replacements and repairs.

If the hotel man could buy replacements today—and if he could keep his property in



Untrained help, much of it pushed to the limit, is breaking dishes and glassware as never before

good repair—the charge would be against current expenses. As it is, the money which should go for this purpose—and which, because of the war, cannot be spent—shows upon his books as “profit.” Along comes Uncle Sam and takes it away from him in the form of income tax.

The Internal Revenue Code does not allow the hotel man to deduct from his taxable income money which he expects to use for replacements or restoration at some future date.

The hotel man knows that some day he will have to restore his property if he is to stay in business. But, having paid out as taxes money which he feels should have been set aside for rehabilitation, he wonders what he will do for repair funds when the time comes.

From his experience after the First World War, he knows it is more difficult to raise capital to restore a hotel that has not been properly maintained than to raise capital to put up a strictly modern new hotel.

### Reserves needed for repairs

SO WHEN the hotel man has time to think during his spare moments, this is the sort of thing he worries about: If—through lack of capital—he is not able completely to restore and modernize his property without too much delay after the war, then the way may be open for someone to build a competing hotel across the street, even though the community is not big enough to support another hotel.

The American Hotel Association thinks it would be a good idea for Uncle Sam to permit the hotel man to set up a non-taxable reserve for needed postwar rehabilitation.

Glenwood J. Sherrard, president of the association, has suggested to the Senate Finance Committee and the House Ways and Means Committee:

1. That the amount of the deferred maintenance fund be determined on the basis of actual expenditures for the last three years before the war, with adjustments for unusual expenditures and for heavier wear resulting from larger-than-usual volume of business;

2. That the fund be invested in non-interest-bearing government securities deposited in government depositories and deductible from taxable income;

3. That the fund be expended for property restoration within a limited period after the war, or else become taxable at the rate effective in the year the reserve was created.

“Such a plan, if adopted,” says Mr. Sherrard, “would make it possible for the hotels to give their full share of employment to returning service men.

“It would be a brake against inflation, because it would tend to lower the present demand for scarce materials and supplies. And it would assure postwar purchases of supplies at a time when such encouragement will be essential, and when we will not have the critical shortage of goods and manpower we have today.”



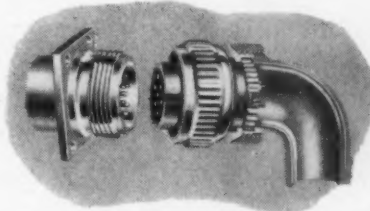
## Quick change Artist

**Breeze Multiple Electrical Connectors Save Time in Servicing and Maintenance**

Speed of overhaul and replacement of vital equipment is an important factor today in the efficient operation of both military and commercial aircraft. It is a factor which depends in great part on the speed with which hundreds of electrical connections can be made or broken. Breeze Multiple Circuit Electrical Connectors provide a solution to this problem, making it possible to connect or disconnect from 1 to 47 circuits instantly and simultaneously.

Manufactured in a wide range of types and sizes, Breeze Connectors are designed to meet practically every need in modern electrical control and communications systems.

Produced in quantity to latest A-N specifications, these Connectors supplement the well-known Breeze line of aircraft accessories that are playing such an important part in the United Nations' drive to Victory.



Cutaway view of Breeze Connector showing simple design and split-case construction.

**Breeze** **BREEZE MARK**

**CORPORATIONS, INC.** NEWARK, N. J.

PRODUCTION FOR VICTORY • PRODUCTS FOR PEACE



# Wonderland of Sight and Sound

By JOHN H. HEINEY

**POSTWAR radio will open a new world for the audience—and for the manufacturer, dealer and advertiser as well**

**YOUR** RADIO receiving set—the one over there in the corner by your easy chair—is obsolete, a relic of a prewar period. The fact that it brings you the Sunday Philharmonic or Bob Hope each week is comparable only to the service you undoubtedly can get from a well preserved Model T Ford.

It represents a kindergarten period in radio broadcasting, before Major Armstrong added static elimination and high fidelity to the home audio set; before sight joined sound; before a little gadget the size of a typewriter, called facsimile, was developed to reproduce words and pictures on a roll of paper in the family living room.

Literally, of course, your set is not obsolete because production of transmitters and receivers will lag months behind the end of the war. In that indeterminate period our present broadcasting setup will continue as usual. But, behind the scenes, designers and engineers and production experts are today putting finish-



GENERAL ELECTRIC PHOTOS

**Television will make it possible to show the actual product and to demonstrate it in millions of homes**



**Sight-sound programs are promised for about 60 per cent of the population within five years after the war**

ing touches on a program which, within a year or two, will change what we always have known as "radio."

What is the postwar radio set to be like? Well, small table set or expensive floor console, it first will include a tuning band exactly like the set you now have. This is called AM (amplitude modulation) with a range of 550 to 1,600 kilocycles—the range of our domestic commercial service.

Second, it will have a new band, called FM (frequency modulation) occupying very high frequencies in the radio spectrum.

This is the new ingredient which is expected to revolutionize radio listening since it virtually eliminates the disturbances to reception we laymen call static; gives a hitherto unknown fidelity of sound, and is free of "fading."

The radio industry believes that FM will replace AM almost in proportion to the ability of manufacturers to turn out the transmitting and receiving equipment necessary. General Electric sees 5,000,000 FM sets sold in the first year, 25,000,000

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NATIO

in five years. Broadcasting circles accept that, once a listener has heard FM programs, he will be through with what we know now as radio despite a not infrequent first impression of shrillness or harshness in FM music.

The transition from AM to FM is like the chicken and egg story because, if there are no listeners there need be no sending stations or programming, and vice versa. But the transition is expected to be completed within five to ten years. As FM transmitted programs become more and more available to listeners, AM programs will decline.

Many of the first FM transmitters will be operated by the big AM stations, members of the national networks. Already all stations affiliated with the four major networks have been authorized to transmit any and all programs simultaneously over the affiliate's AM and FM facilities without charge.

Listeners will find the transition as simple as pushing a button. They will gradually shift from tuning in Charlie McCarthy at WAAA's old AM place on the dial to the new FM (companion station) setting. The companies measuring audiences will chart this shift month by month. Gradually WAAA will increase the rates on the FM portion of its combined service rate card and reduce the portion charged to AM. In most cases it is assumed that the AM transmitter ultimately will go off the air leaving the

FM with the audience and the full revenue.

However, some AM stations will remain always because AM signals can reach into remote rural areas that never would receive the short-range FM service. In fact, some observers believe that the Federal Communications Commission will require certain AM transmitters to continue operations for this reason. Perhaps with "superpower" to reach the most remote areas.

### Power less important to FM

ONE of the important economic differences between AM and FM transmission grows out of this range of service. The signal transmitted by an AM power plant pursues a zigzag course between the earth's surface and a sky ceiling. It can go round the world if enough power is behind it. The signal radiated by FM goes in a straight line, disappearing off the earth at the horizon, the range being determined by the height of the sending antenna.

Power has been the cry of many AM operators. The greater the power, the higher the rates charged. Some positions on the dial have been more favorable, too. With FM, power ceases to be a vital factor and one place on the dial is equal to another. Fifty miles is about the maximum radius an FM station can cover, although Station WSJS on Mount

Mitchell in North Carolina is so high it covers 250 miles before the signal jumps off the horizon.

In the FM era approaching as many as 3,000 stations are expected to be in operation, perhaps in a decade. Some say as many as 5,000 stations. Just like country newspapers. The equipment will be relatively inexpensive, operating personnel few. How many of these could continue to function over a long period, as promotion adjuncts perhaps to small businesses, without advertising revenue, and even though only part-time, is another matter.

One thing seems certain: there will be many new network possibilities and the networks most certainly will be formed as scores of FM stations take the air.

One such new network is the American, backed by veteran broadcasters. Already the FM leaders have formed a trade association. Walter Damm, operator of the Milwaukee *Journal's* radio properties, says American will be a quality network, with the station member-owners controlling more policy, advertising agencies, less.

"For example," he says, "American may decide that Tuesday night at 8 is a good time for a half-hour dramatic show. We'll get the best talent, writers and production we can. We'll put on the best show possible. Presently we'll have a good audience and a client will buy it. But—when the client comes around after



GENERAL ELECTRIC

Department stores are not big users of radio advertising. Store executives say they have found from experience that they have to show their goods to sell them. Television will enable them to do so



awhile and says he thinks the time has come to change it entirely, we say 'nothing doing.' We've put in time and money, the audience is satisfied and we'll continue it even if we lose the client. If he wants a comedian or a variety show we'll give it to him at another hour."

The plan may work. The stations own their own network.

As another innovation American promises to offer a client the same hour the country over regardless of time zones. The advertiser may buy 7 p.m., in New York, where the program originates to an Eastern time zone network leg. By means of identical artists or electrical transcription, it will be heard at 7 in all other time zones.

Not all FM license holders will rush to join networks. Educational leaders saw the value of radio early in the boom days of the 20's but the inevitable trend toward commercial operation squeezed them out. FM is opening the door again. This time there will be room. Already 15 states have applied to the FCC for enough postwar channels to guarantee state-wide coverage.

### FM sets will cost more

GETTING back to your postwar set. A good AM-FM table set (sound only) will cost \$50 to \$75. FM critics argue that the quality of FM as held out to the public by its inventor, Major Armstrong, cannot be had in a receiver of that price. They say the public will try such sets, give them up. However, unbiased engineers maintain that FM's freedom from static and fading, plus some positive improvement in sound fidelity, alone will make a \$60 set a choice value over AM.

No one applauds the advent of FM more than James Lawrence Fly, chairman of the FCC, who frequently expresses fear of harm to the new engineering triumph through the inevitable American trait to rush out merchandise on a quantity basis—cheap, inadequate stuff that will destroy public acceptance.

The third element in your new set will be television.

This is highly complicated compared to FM. For example, FM, although standing to profit by contributing improvements to present-day programming, can become established by bringing to the listener the same programs he has been hearing on AM Stations. Television, as a new art, necessarily will have to develop a new type of program and to bear the high costs of a new production technique at once. Advertising will cost perhaps five times audio rates, perforce.

Those who have developed television and who have faith in it explain that costs will mean nothing, that it is the most compelling advertising medium the world has ever known. They say that it will outsell radio, newspaper and magazines in a relatively short time.

On a nation-wide basis it can enable a sales executive to dem-

onstrate his product simultaneously in millions of homes; to project a most dynamic and effective kind of sales presentation directly into the intimacy of the family circle.

Locally, television can be a powerful selling tool for the department store. Only about five per cent of department store advertising revenue has gone into radio broadcasting, store executives saying that they have found through experience that they must show their goods to sell them. With television they can show them.

Thomas F. Joyce, manager of RCA's phonograph and television department, also feels that television may enable department stores to compete effectively with mail order distribution. Daily television specials with a telephone order service will make shopping easier and may reduce distribution costs. One sales demonstration can reach hundreds or thousands—even millions—of possible buyers.

Whereas newspaper specials before the war were largely designed to get the customer in the store, the television special occurring at a different spot in each day's program will be an inducement to watch the sponsor's entire program of advertised goods; and therefore will pay for itself in added sales.

RCA says transmitters will be available six months after the war. Audio stations are being advised now to apply for licenses. Philip Merryman, NBC engineer on the station relations staff, believes even a small station can operate economically. General Electric believes so. The determining factors are: cost of bringing a tele network to the station, the initial investment in studios and equipment, and, of course, operating costs including programming.

Two methods are available to bring

television to people in most sections. One is by relay from one station to another; that is, rebroadcasting. One is by network, which needs a coaxial cable. The AT&T plans to build between 6,000 and 7,000 miles of this cable within five or six years, at a cost of about \$200,000,000.

The company tentatively plans to have cable linking Boston, Washington and intermediate points, and through to Charlotte, N. C., by 1946. In fact, the New York-Washington cable is ready for service but Washington has no transmitter. Also by 1946 a cable from Chicago to St. Louis via Terre Haute, and between Los Angeles and Phoenix.

### Networks will be formed

BY 1947, cable would provide tele network facilities for: Chicago, Toledo, Cleveland, Buffalo, Columbia, Atlanta, Birmingham, Jackson, El Paso, Dallas, Tucson and Phoenix.

By 1950 various combinations of these cities and such points as Omaha, Memphis, New Orleans, Des Moines, Minneapolis, Miami and San Francisco would be welded into almost a nation-wide service.

This plan "might be made available," says AT&T, if "demand justifies and manufactured cable and equipment can be obtained." The AT&T recognizes that demands of the armed forces, long distance messages, general business conditions and other factors enter the plan.

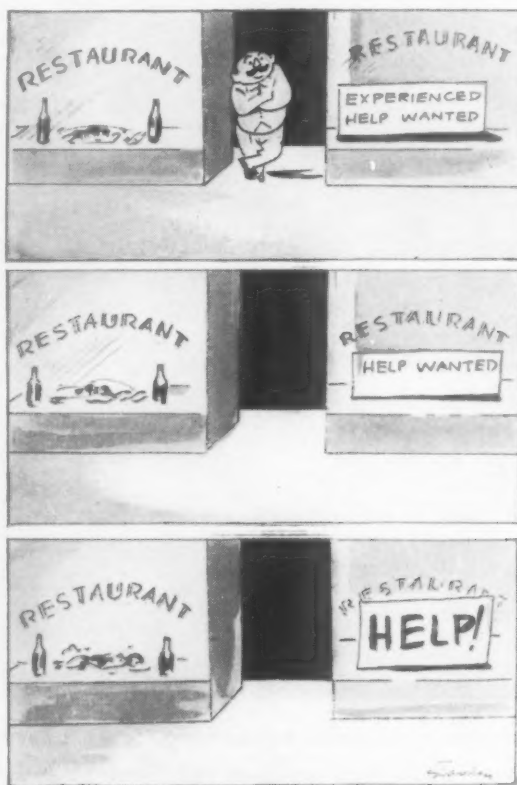
RCA says that within five years after commercial resumption of television, sight-sound programs will be broadcast in almost 160 cities and available to 60 per cent of the country's population—the industry can produce a home receiver priced at \$200. DuMont Laboratories says tele sets will range from \$200 to \$700.

The most ardent advocates believe, however, that television interest will grow only as new programming origin points are added. There will be great pressure immediately to get new networks started particularly those tapping distant lands.

Mr. Joyce sees television developing the power to create consumer buying of goods and services beyond anything we have heretofore known, helping to bring about a high level of postwar prosperity in agricultural, industrial and distributive industries, as well as personal and professional services. This means jobs.

"Television has the power to make people want merchandise more than money," he says, "thus creating turnover which alone can sustain continuing and useful jobs."

Television will undoubtedly stimulate the desire of people everywhere for better foods and fancier farm products in the opinion of Ed O'Neil, president of the American Farm Bureau. If the farmer is thus permitted to share in a general increase in prosperity, he will continue to buy more manufactured goods, and contribute



# NO. DON'T TRY IT THIS WAY!



No NEED for acres of books and lengthy, wasteful procedures when developing your payroll! Writing checks and making out the payroll can be done simply, efficiently and economically! If you want a payroll method that will—

Cut down on bookkeeping — and help solve your manpower problem

Speed up the time it takes to write checks and get them to your employees

Cut down the cost per check —

Just call your local Comptometer Co. representative

and ask for details on the Comptometer Check-and-Payroll Method. He'll be glad to explain it — and there's no charge.

Felt & Tarrant Manufacturing Company, 1712 N. Paulina Street, Chicago 22, Illinois.

## COMPTOMETER

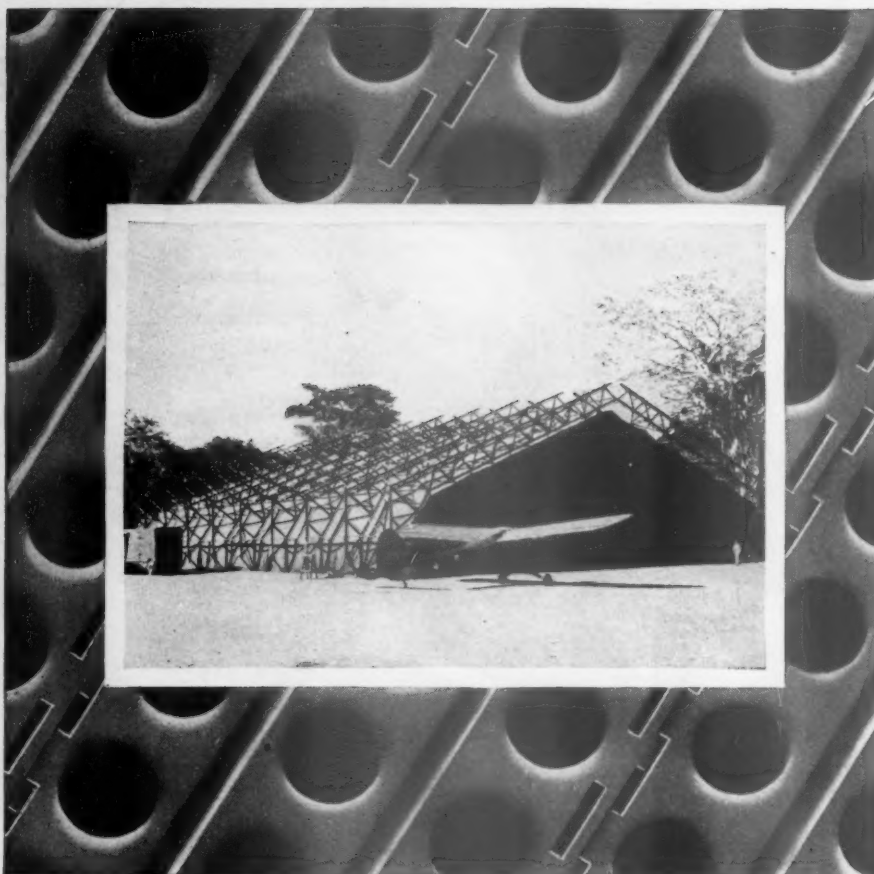
REG. U. S. PAT. OFF.

ADDING-CALCULATING MACHINES AND METHODS

E. W. AYER & SON

NATION'S BUSINESS for July, 1944





## Air Force + Airfields = Air Power

With incredible speed America built an air force...in quality the finest...in number the greatest the world has ever known.

Early in this global war it was painfully apparent that something else was needed to translate air force into air power.

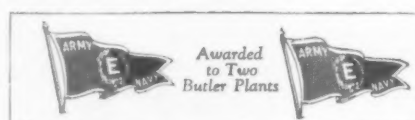
The world's finest air forces flying the world's finest war planes could not carry the battle to Rome, Berlin and Tokyo without speedily installed and highly mobile air-bases from which to operate—always within fighting range of the retreating enemy.

In a little more than one month after Pearl Harbor, Butler factories began producing pierced steel landing mat. Shortly thereafter Gen. H. H. Arnold, Head of the Army Air Corps, called it "the year's greatest achievement in aviation."

Since then a hundred thousand tons of steel have streamed into Butler factories to be made into steel landing mat. Sailors and soldiers have laid millions and millions of

feet of it into airfield landing strips around the globe.

This is but one reason why Butler-Built Steel Products are in short supply. Other thousands of tons of steel are still leaving Butler factories in the shape of combat hangars, truck and trailer tank refueling units, task force steel buildings, machine shops, supply depots, aviation gasoline storage tanks, and other equipment designed to make airfields as mobile as a circus.



### BUTLER MFG. COMPANY

Kansas City 3, Mo.

Galesburg, Ill. Minneapolis 14, Minn.

Sales Offices—Washington, Chicago, Atlanta, Shreveport

Address all inquiries to:

7456 E. 13th Street, Kansas City 3, Missouri  
956 Sixth Ave. S. E., Minneapolis 14, Minn.

# BUTLER BUILT

★ ★ STEEL BUILDINGS ★ ★

substantially to the employment and welfare of all concerned.

Television has non-believers, too. They argue that adding sight to sound introduces new production techniques so staggering as to eliminate all but the most advantageously located and financially fixed operators for many years.

Audio stations are on the air 18 hours a day. Even the largest use some recordings because live production is not economical or always available. Television requires its own technique of makeup and a presentation of talent akin to the movies. Radio artists will have to learn a new camera-microphone technique.

"Where," ask the skeptics, "will television obtain the professional instruction and trained performers?"

Certain program subjects, ideal for televising, present no serious production problems. These include prize fights, ball games and special news events—all unrehearsed. But, the non-believer points out, a full schedule of major league ball games would provide a television station with approximately 310 hours of entertainment; less than two hours a day over a six-months period.

### Handicap on household tasks

THE skeptic also points out that a housewife can do the dishes, darn socks and tend the baby—and never miss a word or note of the morning's audio radio fare. Mama can't do those things, and watch the tele screen.

Television replies that no plans are even considered to entertain at first over more than a two-hour period two or three times a day; but that while the television is on, that's where the focus of family attention will be.

The range of television is about that of FM although RCA research engineers in the laboratory at Princeton Junction receive telecast programs very well from the Empire State building transmitter. This station, WNBT, has been used by 125 advertisers.

Technically television is plagued by "ghosts" although this deficiency is not sufficient to interfere with equipment sales. "Ghosts" result from multi-path transmission. One sees figures in tandem, caused by waves arriving at the receiving set out of phase.

Your postwar set now has AM, FM and television. If you wish to spend up to \$100 more you can add facsimile, which is "record" or "still picture" transmission. This visual service, on a roll of paper, will give you news, advertisements and pictures, without sound; and with sound, such services as language lessons, symphony concerts with program notes, travel information with road maps and countless other innovations.

Facsimile offers an interesting departure in wireless advertising. It will permit the advertiser to receive proof of sale because the facsimile receiving device consists of a box (recorder) with a slot in the top out of which comes a roll of paper. The "program" consists of words, pictures or what-have-you which appear magically on the roll as it unwinds—the exact facsimile of whatever

is being fed into the transmitting machine. If the advertiser wishes, he can require the recipient to bring the coupon off the roll in making a purchase.

John V. L. Hogan, the country's leading exponent of facsimile, believes that advertisers and home recorder owners will soon get together on a discount plan which will enable an owner to earn back the price of the recorder on five per cent discounts from coupons off the roll.

One of the most important of the post-war radio factors, facsimile will benefit from its own network programming. Since you don't need to be on hand when facsimile is coming in, you can go out for the evening and return to find the latest news with a picture of a local fire or overseas event, plus a complete handbill of bargains at Bloomberg's basement the next day.

The only enemy of radio in the coming years seems to be industry elements themselves. Disunity is not concealed. Two factions in television are at odds over whether the present FCC wave band allocations should stand. One group wants to present television commercially as is, when the war is over. The other faction believes that television should be delayed if necessary to guarantee the best possible break for the public—and the industry itself in the long run.

In this connection, one faction in television maintains that investments should be sacrificed and set manufacturing delayed so that a wider band per station can be worked out. This, if done, would permit greater clarity of the picture on the home screen. The other faction says: "Let's give the public the service now. They expect it."

### Movies are interested

MOTION picture interests are hot on the television trail and alliances are being made between leading movie producers and manufacturers of tele equipment. The thinking is simple: A producer of movies is financially identified with a manufacturer of television transmitters; who sells a transmitter to a man who knows nothing whatever about the television production technique. That man will have to use movies in large part for his program features until he can employ someone who knows camera-microphone production. That could conceivably be a long time. In the meantime, the movie producer sees that his pictures are used exclusively by the purchaser of the transmitter.

Finally, that postwar receiving set of yours will include an automatic phonograph and home voice-recorder if you wish only the best—with a short-wave band as in your present set. If you happen to have a good FM set (50,000 were sold before production was stopped) you can buy a tele set or a facsimile recorder alone.

It's going to be an exciting new radio world—this postwar wonderland of sight-and-sound.

But it will be a long time coming for the few who live in the back country. And to many who will go broke in the rush of its development, it will have come too soon.



Is THIS THE OUTLOOK to be faced by our returning soldiers? Will these gallant men whose hands so recently held Honorable Discharges be forced, day after day, to hold the "Help Wanted" sections of the daily papers?

It is up to America to answer these questions *right now!* For on how well plans are made today will depend the future lives and happiness of millions of ex-service men and their families.

Post-war planning, however, must not, *cannot*, be one sided. It must consist of the Government's understanding of Industry's and Labor's problems and vice versa. It must comprise an equalized effort of all involved if the delicate balance of the nation's economics is not to be upset.

The vista of post-war markets and industrial expansion can be a mirage if such coordinated steps are not taken.

Toward this cooperative effort between all agencies involved, the Detroit Tap & Tool Company pledges its facilities, integrity, engineering skill and its efforts . . . so that the full force of America's inventive genius and industrial might will fulfill, for the returning soldier, the rich promise of the future.

Send for your free copy of "Threads of Destiny," a new booklet tracing the development of the machine screw thread. Please make your request on your company letterhead.



**DETROIT**  
TAP & TOOL CO.

8432 BUTLER AVENUE • DETROIT 11, MICHIGAN

LET'S ALL KEEP BACKING THE ATTACK—Buy More Bonds

GROUND TAPS • GROUND THREAD HOBS • THREAD GAGES • SPECIAL THREADING TOOLS AND GAGES





# South Carolina\*

STATE OF OPPORTUNITY



TIMBER



FARM CROPS



TOBACCO



COTTON



LIVESTOCK



MANUFACTURING



MAN-POWER



TEXTILES



POWER



\*This is one of a series of advertisements featuring the six States served by the Seaboard Railway.

**S**outh Carolina is undergoing an industrial transformation. Preserving with pride the rich heritage of the past, a progressive people are likewise devoting their energies toward acquiring what is best in the new.

Long noted for its preeminence in textiles, recent years have added numerous other enterprises to the State because of its superior manufacturing advantages. Notable among the new industries established in South Carolina is the manufacture of pulp and paper—one plant being the world's largest.

South Carolina is aware of the wider opportunities for agricultural diversification and industrial expansion. Alert state agencies and other organizations are making long-range plans for the future development of the State's material resources.

The Seaboard Railway has had a constructive part in South Carolina's progress and in the expansion of the State's industrial structure. The Seaboard through its Industrial and Agricultural Development Departments, as well as through other agencies of the Railway, will continue to plan and work with South Carolina in the years ahead.

Seaboard Railway, Norfolk 10, Virginia



## Melons...



**A PROSPEROUS business has been built up on the production of a better cantaloupe**

**O**UT at Craig Gardens at Mukwonago, Wisc., (about 25 miles southwest of Milwaukee) they are busy this time of the year cultivating fields of young plants which, early in the spring, were started under glass and which, later in the summer, will yield the super-sweet, deep-colored, cantaloupe so highly prized by the fine hotel and country club trade.

From about the middle of August till frost, Craig's Honey Melons—as they are called—will be shipped by the thousands to all parts of the country.

The melons are thick and firm, and have a strong outside skin which makes it possible for them to be picked ripe even though they have to travel a long distance.

The originator of this unique melon—and the builder of this unique business—was Asa H. Craig who, before his death at 86 in 1934, was known as "the melon king." Asa Craig wrote textbooks, but he had grown up at Craig Gardens and always remained a farmer at heart.

Asa Craig had the idea that—if he could only develop a better cantaloupe—he could make money. He succeeded in doing so. From France, Spain and Persia he obtained seeds of special varieties which he crossed with Wisconsin's home-grown cantaloupe.

After years of experimenting, he produced what he called his "improved French melon." Then one day when he happened to be in Indianapolis, he noticed at a farm market a small melon which appealed to him because of its color and aroma. This melon he crossed with his "improved French," and the result was Craig's Honey Melon.

Craig Gardens are operated today by Orin P. Craig, nephew of Asa. The office is in charge of Mrs. Alice Craig Edgerton, Asa's daughter.

"We guarantee our melons against every form of loss," says Mrs. Edgerton, "bill our customers at the end of the season, and let them make their own deductions. Our losses are so small that, even if it is the fault of the transportation company, we never bother to present a claim. We have learned from experience that most people are honest and respond to honest treatment."



U. S. ARMY SIGNAL CORPS

No map of an active area is ever finished but is kept constantly up-to-date

# Fingerprinting Battle Areas

By JOHN CARLYLE

**WHEN our fighting forces set foot in France they could identify every ridge and whorl of the terrain, thanks to the skill of the Army Map Service**

OUR invasion forces had 125,000,000 maps to guide them. All sorts of maps. Maps that glow in the dark, regional maps that fold into inch cubes for flyers, maps that do not crackle and maps that can be washed. Huge maps for the staff, pocket maps for platoons.

The Army Map Service now turns out about 200 tons of maps a week.

Chiefs of modern armies must know every detail of the enemy terrain. Rivers, fords, swamps. Whether roads are single- or double-tracked, what weights bridges will carry, where are the swamps and castles. Mobile map-making units roll with the staff headquarters. When gun positions and pillboxes and machine gun nests are spotted they are overprinted on the issue maps and passed on to the fighting men.

The map-makers are as essential to the team as the tanks or doughboys. An inaccurate map may be a fatal handicap, just as a battery of worn-out guns would be.

The invasion of Europe was more difficult than would be an attempt to move Chicago across Lake Michigan overnight. Without confusion, mind you, although the movement were undertaken in a blizzard and finished in a tornado.

The landing boats had to know every rock and shoal and the tide probabilities and where deep water ended so their blunt snouts could be held against the sandy beaches. The first men ashore had to know where the wire began so they could blow it down with their bangalore torpedoes.

The platoon leaders studied over maps on which were shown—as far as possible—the traps and moats and forts and dugouts. As they shoved on through smoke they had to be able to recognize the features of the enemy's stronghold. The M.P.'s had to be able to direct the men to the right roads.

All of this demanded miracles of intelligent observation.

An equal miracle is the assembly of innumerable bits of related information on a map which must be accurate to the thousandth part of an inch. An inch on a map may be 100,000 inches on the ground. That map may be called for by

the Combined Chiefs of Staff in Washington on a Monday morning. By Friday night it must have been drawn, checked, corrected, photographed on lithographic plates, printed, baled, addressed and shipped.

Perhaps by the ton.

These things are done at the windowless, modern, camouflaged, air-conditioned plant in Washington of the Army Map Service. More maps are printed here in any given period than have ever been printed in the same time anywhere else in the world. Tons of them, perhaps, against pounds. They are the finest maps in the world.

The British are also good map-makers, but they are being supplied with many American maps. We have a subsidiary map plant in England. Japanese maps do not rate with ours. The German flyers prefer our maps to their own. The Italian maps are very good and those of the French are excellent. Russian maps are first-rate.

No other country has a plant that compares with ours in speed, productive capacity, and all-round excellence in the finished article.

Americans have never been map-conscious. Even today only the east and



west coastal areas are fairly well mapped, by European standards. In the great interior we get along with railroad and automobile maps, neither of which are drawn to the meticulous accuracy of the military article. England has the finest peace-time maps, some of them drawn to scales that show fences and cottages. The English buy maps at their bookstores just as we buy magazines. Italy is beautifully mapped, because the Italian system of land division following the death of landholders has forced a system of fine maps drawn to very large scales.

When the First World War began our army had almost no map service, thanks to congressional reluctance to make appropriations. In 1919 the Engineer Reproduction Plant was created in the Corps of Engineers by combining three small map-making projects.

"When the American forces returned from France in 1919 they toted home a grand array of well-used equipment," said Lt. Col. John Donahue, of the Army Map Service.

### Plans for map-making

BUT the plant was starved. Maj. Wallace W. Kirby, commanding officer of the new unit, resorted to many devices to keep it running, because he was convinced maps would be vitally needed in the future. With the approach of the Second World War, which brought with it more generous financial support, the Engineers were able to plan ahead. There would be, they knew, a shortage

of skilled aides, because map-making is a highly trained profession.

Through Prof. Edith Parker, of the University of Chicago, several colleges for women were induced to institute courses in cartography, and 500 graduates are now employed. In 1941 the new plant building in Washington was erected and the lithographic process was selected as a permanency, after:

"Having weighed the relative merits of letterpress, collotype, silkscreen, gravure, and other multiple-image processes."

In peacetime the Corps of Engineers is constantly engaged in building dams, flood control works, docks and the like. They are accustomed to working with civilians. Therefore, the first thing the Engineers did when the new Army Map Service was decided on was to get in touch with civilians who knew the business. Today every lithographic plant in the United States is engaged in this service. It is not considered advisable to state the number of employees, but it is in effect a civilian operation under the overall control of the Corps of Engineers.

Col. L. B. Chambers is the commanding officer, Col. Herbert B. Loper is the intelligence officer, and Lt. Col. Frederick W. Mast is the executive officer. All, of course, under the direction of Maj. Gen. Eugene Reybold, Chief of Engineers. Lt. Col. J. G. Strobridge, of the Strobridge Lithographing Company of Cincinnati, is in command of production. The net results?

The Army Map Service has been given

three Army-Navy "E's" for its efficiency. In December, 1941, about 60,000 pounds of maps were shipped. In February, 1944, 1,680,000 pounds were shipped. Among other items, 24,000 maps of as many foreign sectors have been made. Each of the several government departments that has a mapping service is cooperating, with the exception of Labor.

The 1,000,000 maps in the old War Department library have been drawn on for information, in addition to the tremendous map collection of the Library of Congress and the great resources of the colleges and universities. Of these, the University of Chicago and the University of California are foremost.

From 4,000 to 5,000 new maps come in each week, are examined and catalogued, after having been checked for accuracy and rated according to the known excellence of the source. The "going" maps—those that cover areas where movement is now in progress—are kept up-to-date literally hour by hour. The maps relating to more or less inactive areas can be gotten into production in a few hours.

The plant is conducted precisely as a well managed factory in private ownership would be. The buying is governed by values rather than by cost marks. An ink salesman came in recently:

"I can give you a better ink and save you 12 cents a pound."

The ink offering was put through the tests for specific gravity, greasiness, bleaching, drying, and the prescribed 100 hours in the fadeometer, which is an



In December, 1941, the Army Map Service produced and shipped 60,000 pounds of maps; in February, 1944—1,680,000 pounds. Maps of about 24,000 foreign sectors have been made

electric furnace equipped with automatic heat and light control. The new ink would not do.

Some of the maps printed are on cloth that may be washed when it gets dirty, and some are on silk folded into cubes so small that a flyer may tuck one into his pocket and so discover his where-



SIGNAL CORPS

Army maps, finest in the world, are lithographed in four or five colors

abouts if he is forced down. If a pilot turns on a blue light under another map the salient features of the landscape below show up in gleaming lines and he can find his way home.

There is a battery of the largest cameras in the world and some of the biggest presses. Also some of the smallest. A press used in commerce weighs 5,600 pounds, and is good, but the balance is wrong if it were to be mounted in a truck. Therefore, a new press weighing only 2,300 pounds and squatting so low that the truck can run up and down hills and through ditches was built.

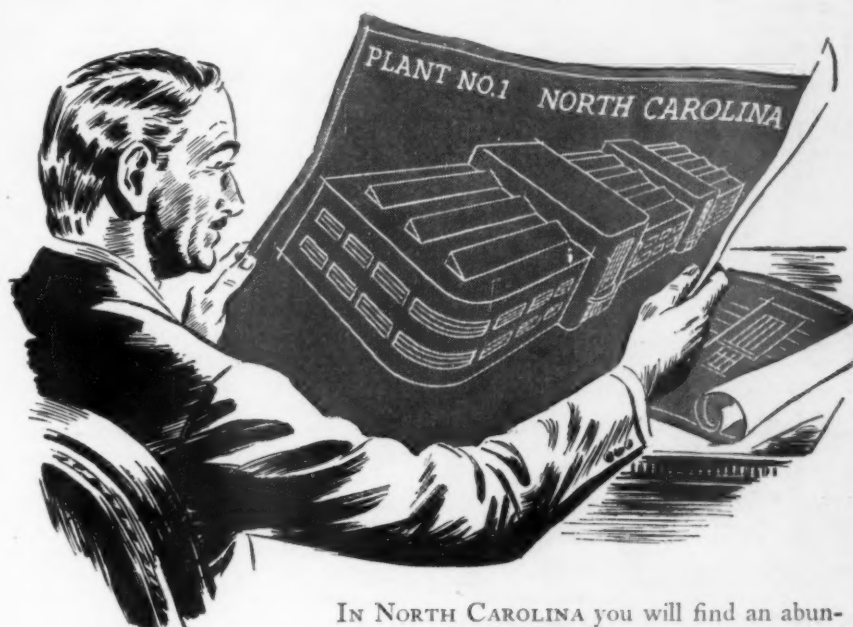
Civilian establishments are more or less used to this sort of thing. They must meet competition, new conditions, a shifting market, almost at sight. The armed forces, thanks to the channeling and the red tape which no army has ever yet managed to evade, cannot compete with civilian organizations in speed and efficiency. But the soldier-civilian combination in the Army Map Service is working more than satisfactorily.

It has never been suggested that the A.M.S. has been extravagant or wasteful. It stretched the three small presses it inherited into a battery of large ones. Long before the manpower shortage was a threat to production, women were being trained to work on the presses and the other operations of map-making. They are now camera operators, platemakers and strippers. There never has been a hint of a leakage of information.

It is obvious that if an enemy agent

## AFTER THE WAR... WHAT?

*Will leaders of industry be content with mere reconversion—same old methods, same old plants in the same old congested areas? Or, when our common task of licking the Axis is finished, will Industry take advantage of the vast opportunities that exist not only in new methods, new materials, but in new locations? For the Industrialist planning a profitable post-war era through better things at less cost, NORTH CAROLINA has much to offer.*



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WOOD PLASTICS  
BE THE GREAT  
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*Leaders of The World of Tomorrow: write today to Commerce and Industry Division, 3238 Department of Conservation and Development, Raleigh, North Carolina, for information relative to your specific industry. A trained industrial staff will furnish the answers.*

## NORTH CAROLINA

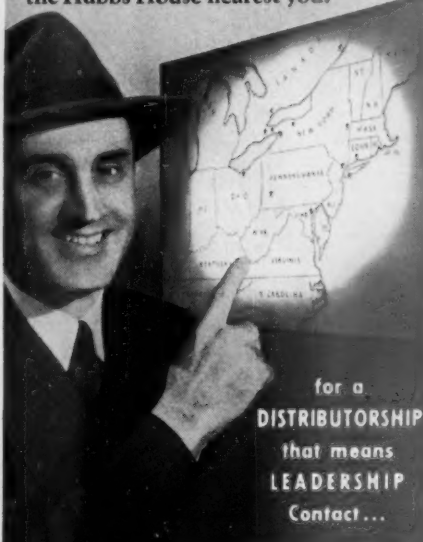


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learned that a map covering a new area was being processed he would really have something.

In the years before the war the newspapers at fairly regular intervals carried stories about Japanese or Germans found wandering about harbors and army camps industriously shooting their little cameras. Most of us thought it was nonsense to call them spies. They were, most of us thought, slightly eccentric husbands who wanted to send cute photos back home to mamma. But they were spies.

### Information pieced together

EVERY important nation does the same sort of thing, more or less, in the harbors and cities of all the other important nations. The information gathered by the camera-shooting papas may be valueless item by item. But when many items are added together the patient operators in the Army Intelligence Services may have a fairly good picture of a position that may be of immense value in the next war.

(All armies must assume that another war will come. Otherwise they might as well disband.)

The military attaches send home information. The diary of a missionary who has been many years dead produced some facts the AMS wanted to know. Letters from tourists often are crammed with good stuff. The Library of Congress has been a magnificent source of material. Our Army has perhaps paid less attention to the gathering of information than any other army, for lack of the wherewithal to pay when no war is in progress. But so many Americans have wandered around the earth that the total of their innocent letters has built up an excellent background for the map-makers.

During the Second World War, of course, we have been freely given information provided by the various United Nations. Without the excellent maps and information provided by the Dutch and British, the AMS would have been handicapped in drafting maps of the combat areas in the Pacific.

The "going" material is largely procured by aerial reconnaissance.

The Army asks for a map of a given area now in enemy hands. "Monuments" are selected in that area, which may be castles, water towers, the confluence of streams, anything that may be spotted and measured with regard to the other monuments. Then the photographic planes are sent out.

They fly parallel strips over the area. But a plane may be forced out of its course by storm or enemy action. It may have to rise to an awkward height or dive down until it is almost fence-hopping. The outsider would reason that it would be impossible to piece together negatives taken under such conditions. Some may have been snapped when the plane is flying at a 45 degree angle. Others when it is zooming up out of danger. But these pieces are put together and out of them a map is made.

The draftsmen measure them with regard to the monuments. Then they are tacked together under a battery of six cameras—the multiplex aero projector—each of which is aimed individually. The resultant negative is viewed under green and red lenses which suggest the old-fashioned stereoscope. By some kind of optics the hills and valleys stand out like sore thumbs.

Without the high flying photographers and the "diachromatic process" map-making in war would not be the incredibly accurate factor it is. When the draftsmen get to work they sketch the background in "grids." They must be linguists, able to translate foreign languages into English. Arabic script and Japanese legends do not puzzle them.

This remarkable excellence has been acquired in a comparatively few months. The Army and Navy and other branches of the Government had skilled cartographers before the war, and the commercial lithographers had skilled operators. To them were added young men and women who displayed aptitude.

The Army maps are printed in four or five colors by the usual lithographic processes, much of the work being distributed to the privately owned companies under contract. It is probable that, when the war is over, the Army Map Service plant will be held in operation as a convenience to the other government departments which need maps—coastal maps for the Coast and Geodetic Survey, forest maps for the Forest Service, overall maps for the Topographic Survey—for their particular specialties.

There seems no need for each of these departments to have its own map-making plant, although each department will probably vigorously oppose any suggested centralization. But map-making is so definitely an instrument of war that the Army may ask for it all.

The AMS has come a long way from the days before the First World War, when four soldiers and two civilians handled it all.

## Shoes For Easier Walking

A NEW PLASTIC shoe sole developed for men's and women's footwear promises greater lightness and comfort.

It is derived from a vinyl chloride base, enabling the salvage of scraps from other products made with the same plastic. Small portions of synthetic rubber are compounded with the plastic to increase its flex life. It is called "Kavtex" after William E. Kavenagh, mem-

ber of Goodyear Tire & Rubber Company's shoe products development department, who developed it.

While the new material gives the same walking ease as other sole materials, it is completely impervious to moisture. It retains its original shade throughout its entire life without fading or discoloration at the edges. It may be stitched as other soles are or cemented.

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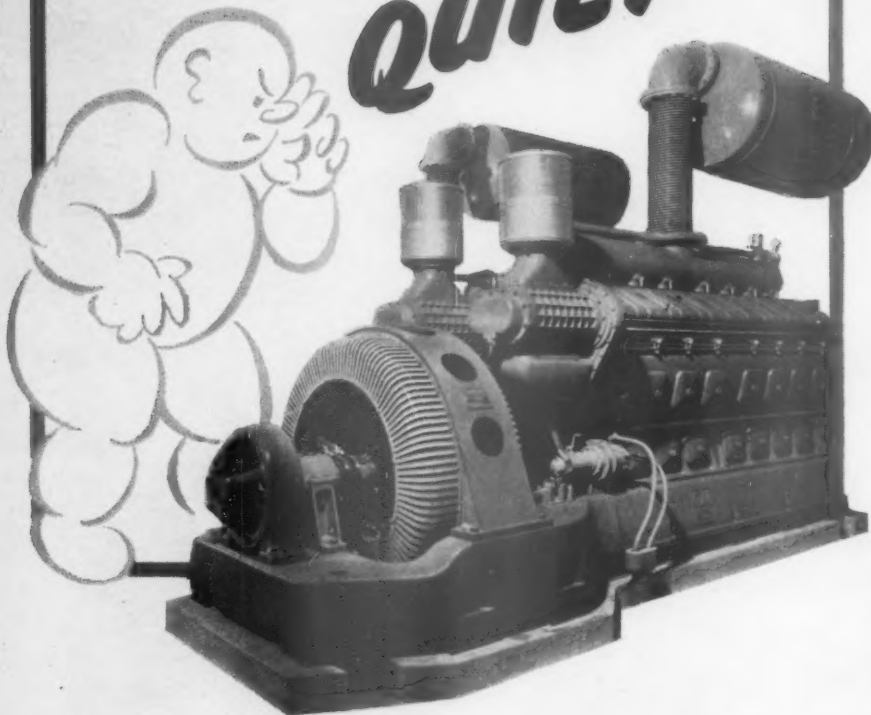
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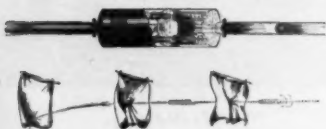


## AN OFFICE BUILDING DIESEL PLANT

THAT'S  
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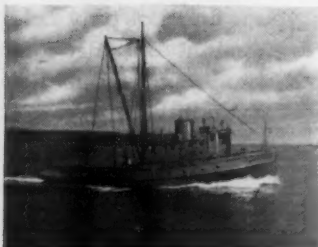


### THE SNUBBING PRINCIPLE



The energy of an exhaust slug traveling through a Snubber is like that of a golf ball driven through a series of thin blankets. The chambers in the Snubber act like blankets and gradually slow down the fast-moving exhaust slugs so they leave the tail pipe in a smooth, quiet flow.

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Burgess Snubbers can be safely recommended for Diesel engines in critical locations where noise cannot be tolerated, such as hospitals, hotels, office buildings, and residential districts.

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# BURGESS DIESEL EXHAUST SNUBBERS

## Business Leadership Looks Ahead

(Continued from page 26)

portance of education and to work for better understanding between business men and educators. We believe this is good business for the Chamber, for education and for the American enterprise system.

As another example of new-type activity, we have created a department and a committee on Economic Policy. What is a sound economy? What are its elements? How can we attain satisfactory employment? We have issued a series of bulletins, as a result of this work, on the general theme of Postwar Readjustments, that have been widely read and quoted, and that have become increasingly influential. This type of basic economic research we shall continue.

### The ideal of business

FINALLY, I'd like to point for a moment to our over-all ideal. And I ask you to believe that I have not gone soft or merely sentimental when, as a business organization executive, I speak of ideals. Or if I have, then perhaps I'm not in bad company; for I believe it was the great justice Holmes himself who said that he felt more comfortable with a man who had ideals than he did with one who had aims.

We have the aims, all right—very practical ones, as I have tried to show. But beyond that, we cherish an ideal which is bigger than the Chamber or any of its parts; and that is to be of real and lasting service in the job of reunifying the people of the United States.

The Chamber is a business organization; but in the pursuit of this ideal it has got to be bigger than business alone. It must be capable of embracing the whole economy.

We need desperately to get back to a consecrated sense of national unity. Business, industry, labor, agriculture—all the various segments of the economy, will find their places and attain their degrees of prosperity only if the interests of all, which is to say the interests of the whole American people, are served.

Those who would be worthy to think about the problems of the future must do so first not as the members of a group, the leaders of a clique or the representatives of a section—but as Americans. At the risk of being both rhetorical and emotional, I'm going to write this down, because it needs to be said and heeded:

*Our salvation lies in the joined hand,  
the fused spirit, the consecrated heart.*

This is the spirit, this is the ideal, upon which, along with its practical labors, we base the right of the Chamber of Commerce of the United States of America to have its say and to wield its influence in making the America of tomorrow.

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against enemy planes...

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**JAMES V. BENNETT's job is to remodel 17,000 lawbreakers so that they may become assets instead of dangerous liabilities to society**

**SEVENTEEN** thousand criminal men and women are in James V. Bennett's hands today. They came into the 25 Federal prisons as dangerous liabilities. His job is to make them into some kind of assets. At least to reduce the liability.

He is the Director of the Federal Prison Bureau.

Mr. Bennett is no softy. He does not coddle the men. No one ever heard him speak of them as "poor boys." The sentimental folk who say, "there are no bad men; there are only sick men," spoil his digestion. Of course there are bad men—and women. Nor is he the hard-hearted type who says:

"Once a convict, always a convict."

A convict may grow into a very good citizen. The nearest to a human interest story he told was of the double murderer in the Atlanta prison.

"He made a friend of a sparrow. Then some one gave him two canary bird eggs and the hen sparrow hatched them. We built a little enclosure for him inside the walls in which he lived and raised his

# He Took the Bars Off Prisons

By HERBERT COREY

birds. In time he worked up quite a little business in canaries."

Which, up to this point, is very affecting. The payoff is that the canary fancier took advantage of his relative freedom from observation and made himself a beautiful little "shiv" out of a file. It resembles the lovely little daggers with which the Florentines did their fifteenth century murdering. Director Bennett cherishes it for personal reasons.

"I have seen plenty of prison-made knives. But this is the only one that was made for the express purpose of killing—Me."

It is a matter of business with Mr. Bennett. He was given a job to do and he is doing it. People speak of "penologists." Mr. Bennett is "not certain there is such a profession as penology." Some of his 17,000 parishioners are pleasant, entertaining persons. Some would kill you for two bits.

Mr. Bennett tries to take them at their individual values. If they behave, they may sleep in separate rooms which do not fall far short of hotel rooms in comfort, or work in camps and forests almost without supervision. The toughies go to Alcatraz. The Rock is a symbol as well as a prison. The lesson is that in a federal prison a convict behaves. Or else.

Mr. Bennett is a practical man. His spare, active, 50 year old body is dressed in well cut clothes. He graduated as B. A. from Brown and won his LL.B. at George Washington University. In 1919 he needed a job because he wished to marry Marie Ettl, with whom he had been in love while a student at Brown University. He passed the civil service examination—he had been a cadet aviator in the First War but had not been able to get to France and the fighting—and was given an appointment as investigator in the U. S. Bureau of Efficiency. That was a bit of luck.

The Director of the Bureau was Herbert D. Brown, hard-boiled, fearless,

and an enemy of sloppiness in the Government's methods and especially of waste and extravagance. The Bureau was later to be efficiently stamped out, after Director Brown had stepped on many bureaucratic toes. No one questioned his efficiency or doubted that he was completely ruthless. Mr. Bennett's first job was to report on government methods. It was a good report. The youngster was energetic and not easily fooled. He was to become one of the many career men in the government service who keep that service from falling apart. Among his associates were men who have since risen to posts of importance and significance in the Government. William (Bill) McReynolds, now one of President Roosevelt's anonymous assistants; Malcolm Kerlin, now assistant to the Secretary of Commerce; Al Hall, now Director of the Bureau of Engraving and Printing; Harold Graves, now assistant to the Commissioner of Internal Revenue, were among them.

## Interest in prison costs

SOME of Bennett's reports on various phases of the Government's business had attracted the attention of men in Congress. They were then alarmed by the state of affairs in the federal prisons. The prisons were costing too much. No doubt some of these Congressmen were appalled at the stories current of prison conditions generally, but it was the cost that attracted their attention. Bennett was not a penologist or a reformer or given to sobbing over his fellow man, but he was a topnotch cost accountant and was used to dealing with government service. His report is still referred to with respect. He looked on his job as a job and went at it unemotionally and thoroughly. A year later—in 1929—he was made Assistant Director of the Bureau of Prisons, and later Commissioner of Prison Industries, Inc., and President of the American Prison Association. In 1937 he succeeded Sanford Bates as Director of the Bureau of Federal Prisons.

Briefly, and as a business man, he had learned that prisons are costly necessities.

His aim has been to cut down that excessive cost. Prisons can never be made self-supporting because the cost of op-

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## METROPOLITAN OAKLAND AREA CALIFORNIA

*Mainland Gateway to the  
Postwar Markets of the Orient*





eration, construction, overhead and guarding is too great. But, against the appropriation of \$12,000,000 for federal prison maintenance in 1944, he will be able to show a plus of approximately \$3,500,000 on the prison shops, and perhaps an equal sum in the construction of roads, buildings, soil conservation, reforestation and the like. No one can even vaguely estimate the actual value of these operations or their actual cost to the federal Government. But there they are. Tangible, visible improvements. No charge made to any state.

And the federal prisons are being operated on a new and modern plan.

No one can even guess how much society has invested in each prisoner before he lands behind the bars.

### Lawbreakers are expensive

MOST of the 17,000 men—and women—in the federal prisons were offenders long before they were caught for the first time. Some began as bad boys and progressed downward. Some did criminal things for the thrill. They were elated by an early success and kept at it. Forgers and check-passers belong in this class, in the Director's belief. Once in it they stay in the class. Before the war perhaps 10,000 were sentenced each year for "whisky" offenses. Ignorant and underfed mountaineers believed they had a moral right to make their own corn into moonshine. Bootleggers and hijackers made more money than they had ever heard of and had lots of fun. Slickers moved up from clerkships to become the chairmen of the boards of corporations. One such man established a slush fund of \$500,000 with which to buy legislation.

The Director of the Bureau reports these facts without prejudice.

Nor can any one say how much it cost society to arrest and convict these men. One guess is as good as another. They compel society to keep policemen, courts, prowl cars, states' prisons and jails. Men who have once been sent to prison are likely to go back again after they have been set free. About 60 convicts out of each 100 released are back in prison inside of five years. Others, of course, escape punishment.

Mr. Bennett set about changing the methods of the federal prison system so that fewer released convicts would re-enter criminal activities and, in the course of time, come back to prison. If he succeeds, the tax on society—a tax computed in dollars once each year by every taxpayer—will be lessened. The average convict is willing to concede that he must pay a fair price for his crime. If he believes he is unfairly sentenced, he leaves prison resentful and determined to get even. If he is unfairly punished in prison or is locked in the damp and airless cells built two generations ago he comes out hating the law. If he cannot find work when re-

leased he drifts back to crime even if he is convinced in his heart that sooner or later he will land behind the bars again.

Mr. Bennett's plan works. There are relatively no escapes from federal prisons. Four or five a year, perhaps. Some men are incurable jailbreakers. Gerald Chapman, the mail robber who eventually died in the chair, boasted that no jail could hold him. But one did. In the past year 54 men got away from the camps, where they work on an honor system. The chances are that most of them suffered a kind of temporary lapse, because they did not get very far. Of the 54 runaways, 49 were caught in three days. There are relatively few offenses against prison discipline. So far as possible that discipline is enforced by a system of subtraction of privileges and punishment is resorted to only when milder methods fail. The newcomer is permitted to smoke, read novels, talk and see the movies. All, of course, subject to definite rules. Prisoners do not want to lose these privileges. The longer a man stays "inside" the greater the backlog of good conduct he builds up with consequent rewards.

In essence, the plan is to treat the man as an individual, subject only to the necessary prison discipline.

Seven of the 28 Federal prisons are thoroughly modern. They were built by the labor of the men and with the help of \$15,000,000 of WPA funds. There are no bars on the windows. It is true that the mullions—the perpendicular ribs that are a feature of Gothic windows—are reinforced with steel and set so closely together that not even the slimmest prisoner can squeeze through. The 21 other prisons are for men who will behave themselves in mild confinement, or for men who cannot be safely trusted, or for the tough old repeaters who cannot be trusted at all. The worst of the lot go to Alcatraz, but every man—no matter what his crime may have been—is given a chance to buy his way into an easy prison by good conduct.



"Well, what do you dislike doing least?"

"No judge can sentence a man to a named prison. That would never do."

Next in the plan is his physical rehabilitation.

"Most of them reach us in terrible physical condition. They have had too much whisky, too little food, they have been on the lam for months, their nerves are shot to pieces. They cannot become decent citizens until they regain their health and strength."

Then they are classified. The federal plan is to provide each released prisoner with a job.

"And we do. Every one."

It would obviously be impractical to try to place a cobbler in a bakery or a bookkeeper on a farm.

"During the process of classification they are given every help to regain their moral and mental health. Plenty of work helps in this. No man could be expected to come out of prison a better man if he had spent most of his time in the idle house, twiddling his thumbs, forbidden to talk to his fellows. Yet that used to be a routine procedure in the old style prisons. The work is provided for him in the prison shops."

The old contract labor system has been abolished. In this outsiders were permitted to hire as many men as they needed to work on mass-output jobs. The men were paid very little and, because the guards represented the contractors rather than the prison system, they were likely to be brutal and inconsiderate. The contract system could and did undersell manufacturers on the outside because their labor costs were almost inconsiderable.

### Helping make war goods

THIS roused the antagonism of the business community. To stop it Congress enacted a law forbidding, under the Interstate Commerce Act, the shipment of convict-made goods for sale on the market. To provide work for the men—and to escape the idle house—the men

in normal times make goods for the federal Government only. In wartime they are engaged on war tasks and so heartily have they cooperated that the monthly earnings average between \$20 and \$30, and it was necessary to put a top limit of \$50 a month.

Their food is good—although they complain of it; they always complain in prisons—and they have baseball, football, basketball games, and theatrical shows. Most of the prisons publish good magazines. So much editorial latitude is permitted that the *Atlantian* freely discusses prison problems and invites contributions. The federal system operates farms primarily to reduce the food cost, but also for the benefit of the farmers in custody. Not less than \$1,000,000 worth of food was turned in to the kitchens this year, and the Department of Agriculture is co-operating in obtaining well bred sires for the dairy farm. Perhaps the most significant element in

the Bennett plan is to teach the men to work.

"Many of them never have worked. We offer them in work a practical substitute for criminal methods in obtaining a livelihood."

The Prison Placement Officer maintains contacts with potential employers—always—finds jobs for the men released or paroled. The larger industrial organizations cooperate heartily. In some of the smaller shops the management refuses "because they are afraid of an ex-convict." In the opinion of the Director this is rather absurd. The men have been watched closely during their term of imprisonment and are kept under supervision for varying periods after release. Unless they find work they are certain to go wrong.

### Fewer repeaters now

"CRIME cannot be held in check by police methods alone. What chance did a man have under the old system—turned out of prison with \$5 in his pocket and wearing a shoddy suit that was an advertisement of his unfortunate past? Our primary purpose is to turn the man out better than he was before he came in. We're doing it. Only 11 per cent of the time-expired men commit offenses during their period of supervision and the paroled men do even better. Not more than four per cent get into trouble. The percentage of repeaters who come back to us is smaller than in state prisons."

One reason is, no doubt, that Mr. Bennett believes in business methods. No man is ever recommended for parole out of compassion. He must earn his release. The system knows where he is going, to whom and to what kind of a community. Mr. Bennett knows the man's record in prison, and can judge fairly accurately whether he will develop into a "self respecting citizen," which is the ultimate goal. No prison system will ever be perfect, but the federal plan has been growing toward betterment for 50 years. When the public realizes that society cannot afford the cost of maintaining a horde of criminals on the loose other improvements will be made.

"Trouble is that the people take no interest in the criminal problem, except as it breaks out on the first pages. We shall have the prisons which now mar the American scheme because no one has taken the trouble to seek anything else. On the one hand a prison is expected to punish and on the other to reform. A prison must discipline rigorously and at the same time teach self-

reliance. It is operated according to a fixed bureaucratic regime and yet is expected to develop individual initiative. A prisoner is expected to become a thinking citizen in a democratic society and yet is refused any voice in his own governance. So the whole paradoxical scheme continues."

One of the failures of the system is the variety of sentences imposed for identical crimes. Too many convicts have done too many years because too many judges have come to the judgment hour fresh from battles with their wives. Mr. Bennett advocates the passage of the bill now pending in Congress which would set up a board of trained men to review all sentences and, if desirable, recommend that they be amended. The sentencing judge may disregard the Boards recommendations but, in that case, must give his reasons in writing. Mr. Bennett thinks justice will be better served if this bill is passed. But he does not ask for mercy. He thinks that tears and molten tremolos have no place in court rooms or in the hearing rooms of parole boards. He only asks that the guilty man be given fair treatment. Nowadays the conscientious objectors are his worst headache. They range from honest "war resisters" to the narrow and ignorant men who look forward to the end of the world at any moment, and do not want to be caught with arms in their hands when the big crash comes. He tries to handle them with sympathy and tolerance and is constantly amazed by the sound judgment of the 3,000 members of his staff. All civil service men and women, by the way. One staff captain asked to be transferred.

He was straightened out because Mr. Bennett convinced him that he was doing his duty in his post just as his lieutenant son is doing on New Guinea. The objectors must not be abused.

"That is what they are hoping for—a little hearty abuse—so they can make a political issue of it."

One conshe refused to eat and, as there was no authority for his release and he could not be permitted to starve, he was fed by force. The story reached the papers. An impartial committee cleared the prison warden on every count. But the next conshe may do the same thing in some other prison. Or worse.

Mr. Bennett's middle name, incidentally, is Van Benschoten, and he was born in Chautauqua County, N. Y., where the chautauquas come from. He has just completed his 25th year in the service of the Government.

Every minute has been interesting.

## A Cleaner Soap is Coming

A NEW SOAP ingredient used now by the Army where ocean water is used for bathing and laundering promises a soap of increased efficiency for postwar household use. Mixed in other soap constituents, the new material will remove dirt, oil or grease in any kind of water, salt or fresh, cold or hot, hard or soft. It also gives a good shave.

Postwar variations of this soap form-

ula will be available as toilet, kitchen, and laundry soaps. They will lighten the task of washing greasy pans, will make glassware sparkle. This soap lathers well and leaves little ring in a tub.

The new ingredient is a synthetic detergent, a sulfonated product designated as MP 646 by Du Pont's Fine Chemicals Division which manufactures it at Deepwater Point, N. J.



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## The Kids Go to Work

SENDING a boy to do a man's job turns out better than the copybooks say

IN A New York City school not long ago the floor of a room began to buckle dangerously. No one could be found to repair it. Then the principal and the shop teacher decided to let a group of 13-year-old volunteers try. In rotating squads of three and four, the youngsters tore up the floor, replaced a rotting beam, and laid down a new flooring of wood and linoleum. In a little more than a day, the job was done. Then the kids looked around, figured the walls needed painting and did that job.

This is just one instance in which New York school children, in their War Work Squads, are pitching in to do work that adults would normally perform. In other schools, the kids are busy at every opportunity. They're making book ends, shelves, shoe-shining boxes for Coast Guard barracks nearby. Sewing and filling with toilet articles scores of crotone bags for distribution to service men in hospitals. In one school, they've undertaken the long-needed job of remodeling and repainting furniture and equipment, and even making equipment needed for the lower grades.

Youngsters only slightly older are being "discovered" by industry. With outstanding results.

Facing a tough manpower problem some months ago, the Lockheed-Vega aircraft plants on the West Coast decided to try kids. A plan was worked out for hiring boys through the high schools. Under the "4-4" program, as it is called, youngsters, with parents' consent, take IQ tests, and stiff physical examinations. Those who pass go to work. Those from nearby communities work four hours a day, go to school another four. Others from more distant localities live at adult-supervised barracks near the plant for four weeks, working regular eight-hour shifts, then go back to school for four weeks.

At the same rate of pay as adults—60 cents an hour to start and increases every four weeks—thousands of boys are

working riveters. On a g boys are once han for fighte boys have three-m Seven bank Hig ciling and chine gun to the del armamen George M ideas for lights on that the c "The b faster tha ports Loc ssembly, R Absent 175 boys, in a four-passes an Spiitt is in with a other wor make com groups fr steam and all the fer on the gri "Boypor works ma our outsta ployee pr

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TO HOLI keep up t wood, No ordinator boys we h fect. Man standards work. So many of the plant. as before Let 16-7 experienc the Air Co the best a I'm doing men in tl a lot." So effec educators applicatio working than detr em. The what he education forced in needs for basis, he Whatever War Wo schools a significan Give yo fewer del Give 'e and often

NATIO

working as filers, burrers, assemblers, riveters, draftsmen and mechanics.

On a gun tunnel assembly job, three boys are doing work that five women once handled. Making plastic hatches for fighter planes, two Pasadena school-boys have tied the plant record set by a three-man team.

Seventeen-year-old Dick Fox of Burbank High set a record of taking apart, oiling and putting together again a machine gun, blindfolded, in 20 minutes—to the delight and inspiration of veteran armament installers in the shop. Young George Marygold came up with two ideas for installing switches and panel lights on planes which are so valuable that the company may patent them.

"The boys have advanced 25 per cent faster than the average workman," reports Lockheed's Superintendent of Assembly, Ray Buckminster.

Absenteeism is low. Of one group of 175 boys, only 36 were absent one day in a four-week period. That record surpasses anything the plant has known.

Spirit is high. The boys not only pitch in with a will, but their spirit affects other workers. That's because they often make contests out of their work. Two groups from rival schools turn on the steam and compete with each other with all the fervor they'd show fighting it out on the gridiron.

"Boypower," says Mort Bach, Vega works manager, "has given us some of our outstanding workers and fewest employee problems."

### School work is good, too

TO HOLD their jobs, the boys have to keep up their school work. Ralph Heywood, North Hollywood High School Coordinator, makes a typical report: "The boys we have supplied are far from perfect. Many are from a group whose standards are below average in school work. Some are discipline cases. But many of these are doing good jobs at the plant. And their grades are the same as before. Some have even improved."

Let 16-year-old Bill Seiden talk: "This experience will help me when I get into the Air Corps. Also, after the war I want the best aircraft job I can get and what I'm doing now will not hurt any. The men in the factory really help the kids a lot."

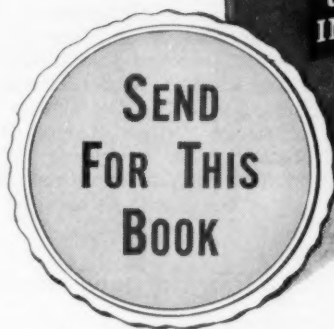
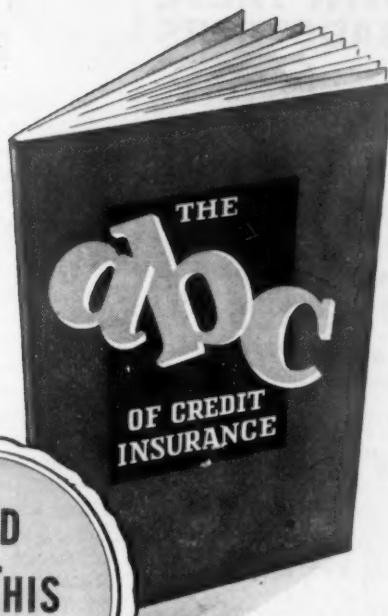
So effective is the plan that California educators believe it may have postwar application. It has proved that practical working experience enhances rather than detracts from the educational process. The kid who applies on the job what he learns in school understands education's value. It's no longer an enforced imposition, but something he needs for living and working. On that basis, he welcomes it.

Whatever the postwar effects, the War Work Squads in New York City schools and the California "4-4" plan are significant. They show that:

Give youngsters jobs and you'll have fewer delinquents.

Give 'em jobs and you'll have more—and often better—war production.

—LAWRENCE N. GALTON



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*J. T. Fadden*  
President

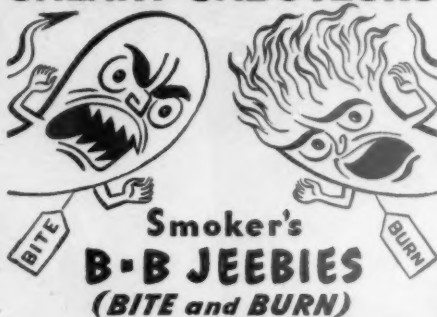


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BOSTON, MASS.**

## Dame Nature's Noblest Cordial

(Continued from page 28)

was due in part to its great promise as an agricultural industry, in part to the high regard in which the Founders held wine. Jefferson advocated wine as the beverage of temperance; and Martha Washington's recipes for cooking with wine have been assembled into a cookbook and published.

Since the Civil War a large and important wine industry utilizing native grapes has developed in the eastern half of the country, particularly in New York, Ohio, and New Jersey, along the southeastern seaboard from Virginia to Florida, and in Michigan; and also in Iowa, Missouri and Arkansas.

This Eastern wine making, which includes all of the five classes of wine—Appetizer, White Table, Red Table, Dessert, and Sparkling Wines—now amounts to a little more than ten per cent of the country's total wine production.

### California goes commercial

FOR many years the Franciscan Fathers were the only important wine growers in California but they had made no attempt to produce on a commercial scale. Their wines were made for religious and table use, for treating the sick and for the gracious entertainment of travelers; but their fame had begun to spread and, from time to time, some of their wines and brandies were sold in small lots.

About 1824, Joseph Chapman, one of the first Americans to settle in California, decided to take up wine growing as a business and set out 4,000 vines near Los Angeles. Seven years later, Jean Louis Vignes, from the wine-famed

Bordeaux district of France, started a commercial vineyard just about where the Los Angeles Union Station now stands.

California never tried to cultivate the native American grapes because the European grapes did so well there. The vines which the Mission Fathers had planted were descendants of the Spanish wine grape that had come from Spain, via Mexico. The grape they planted became known as the Mission grape for the simple reason that no one knew what else to call it. This was the grape that Chapman, Vignes and other pioneers planted as they established their commercial projects. The Mission was a true wine grape, it made a good sherry, a fair dessert wine, and a fine brandy, but other kinds of wines made from this grape were lacking in character.

So Vignes, realizing the need for choice grape varieties, sent to France for some pedigreed cuttings. Chosen and packed with utmost care, these cuttings reached him via Boston and Cape Horn. They did well in his vineyard.

By 1840, wine growing was the major industry of the Los Angeles district; and Vignes was chartering and loading ships (at San Pedro) with wines and brandies destined for distant ports.

Although Vignes started it, the great change from Mission grapes to finer European varieties was brought about by Agoston Haraszthy, a pioneer, an Hungarian nobleman, and the founder of Sauk City, Wis., who had gone to California for his health in 1849. At San Diego he planted many new European grape varieties—all successful.

The Gold Rush, starting in 1849, created increased demands for wine and the

## Leading Farm Crop

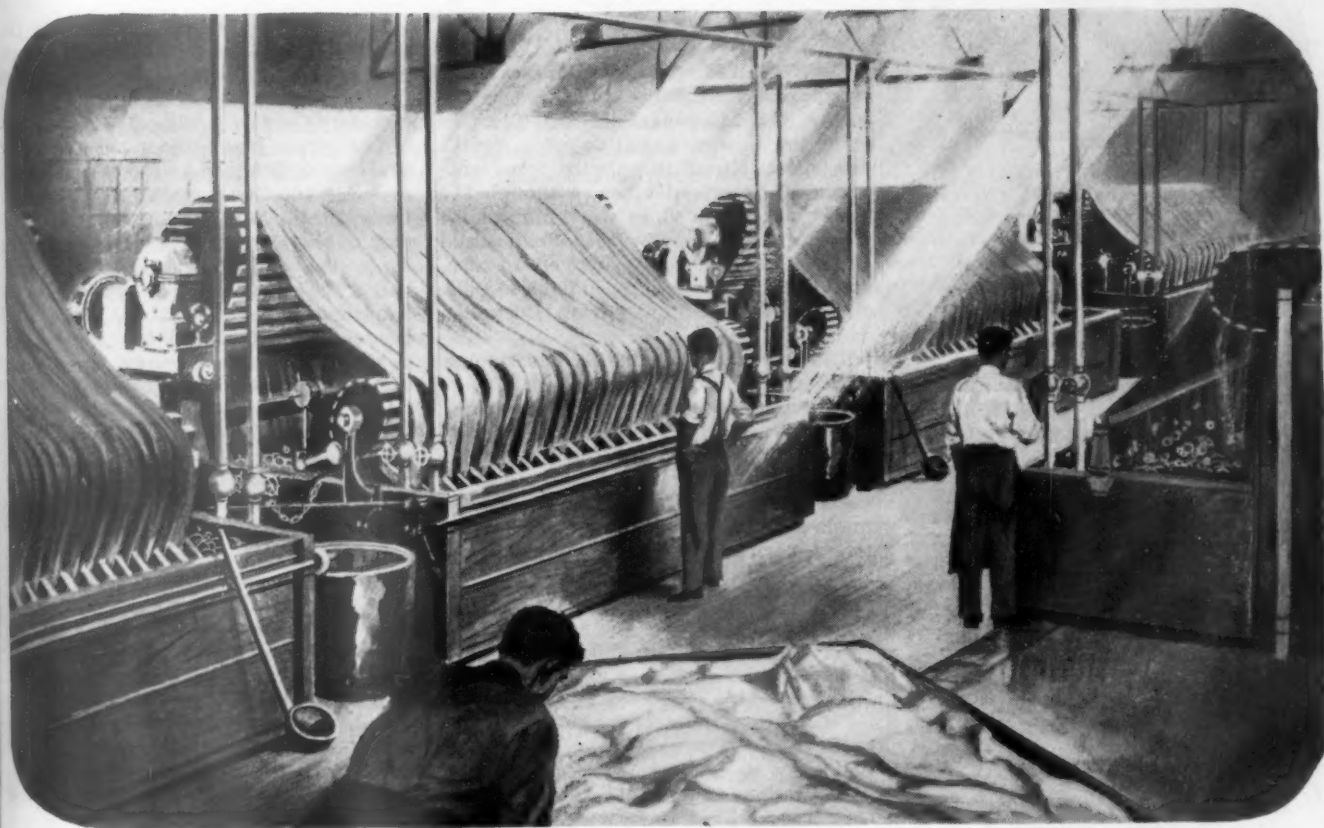
GRAPE GROWING and wine production represent an investment of more than \$500,000,000, the cultivation of some 619,000 acres, the employment of 7,000 to 350,000 workers during peak of the harvest, and an average investment of almost \$808 per acre.

Our annual production of grapes, some 5,000,000,000 pounds, is used in four principal ways: for consumption as fresh fruit, for drying into raisins, for wine making, and for grape juice, with more than 40 per cent of the total going into wine.

Today—as for the past 50 years—most of the wine grapes of the world grow from sturdy, disease-resistant American roots.

Just before the start of the war the United States was exceeded in wine production only by France and her colonies, by Italy, Spain, Portugal, Argentina, Jugoslavia, Russia and Greece.

# Where EYE-APPEAL is born



NO FRAGRANCES PERFUME the air around these beauty baths. There's no marble...no golden faucets. Nevertheless, such temples of beauty as these cause a billion dollars to change hands in America...annually.

For these are the dyebaths that transform untold thousands of yards of goods into marvelous fabrics which make the fashion world revolve.

And here once again you see the magic handiwork of man's oldest servant...salt!

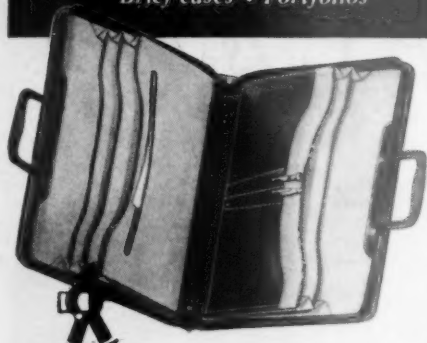
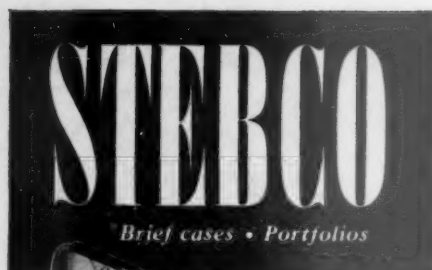
Its pure white crystals are sodium chloride to the chemist...providing pure sodium and chlorine—priceless ingredients of dyes. Further, salt is used to standardize the strength of each lot of dyestuff.

And to the dyer, himself, the familiar mineral is vital. Salt exhausts the dye—causes the color to affix itself to the fabric in all its full strength and beauty.

So important is salt to dyeing that *International* is prominently known throughout the textile industry for developing a major improvement—the use of saturated brine instead of dry salt for exhausting the dyebath—which eliminates streaking and spotting. This change from dry salt to brine was made possible by the perfection of the Lixate Process for producing a crystal-clear, fully saturated brine.

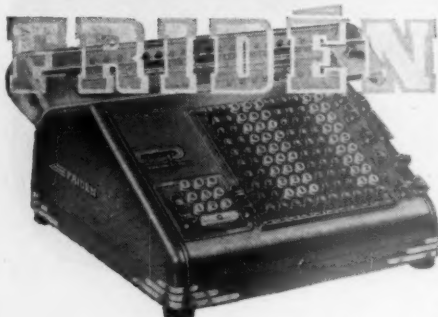
But by the same token, there is hardly an industry that does not use salt. And to the majority of these... *International* is "Salt Headquarters." First, for the unsurpassed quality of its product, Sterling Salt. Second, for its unique salt processes. These improve production. They save man-hours and money. *International Salt Company, Inc.*, Scranton, Pa. and New York, N. Y. Sterling Salt for every use—in industry, agriculture, the home.





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high prices created a rush of vine planting in Northern California. Attracted by this activity. European wine makers arrived to contribute their centuries-old art to the industry.

As the Gold Rush faded out, the State Legislature decided to encourage wine growing by exempting new vineyards from taxation for a number of years, and 11 years after California had been admitted to the Union, Governor Downey sent Haraszthy to Europe for a wider assortment of vine cuttings. Haraszthy spent about six months in Europe buying more than 100,000 cuttings of some 1,400 varieties. In 1862, the cuttings arrived.

### A scourge hits the industry

MEANWHILE, the dread insect pest, phylloxera, had been laying waste the vineyards of Europe. Paradoxically, this vine louse was a native of America transported to Europe with some cuttings of American vines. Although the tough American vines were immune to this pest vast areas in Italy, France and other countries were destroyed. In turn, the phylloxera was shipped back to California on the cuttings from European vines.

One day in 1874, a vineyard in Sonoma County was found dying. Before 1880 phylloxera was laying waste the vineyards of Northern and Central California. But scientific experimentation soon came to the rescue by demonstrating that the European vines could be made safe by grafting them to our native American vine roots!

This discovery was a boon to the wine growers of the entire world. Today most of the vines of California, and of all Europe, grow on the phylloxera-resistant American roots.

### Entering world markets

AS early as 1860, California wineries had established agencies in New York City and shipped their wines via Cape Horn to the East. The first transcontinental railroad, completed nine years later, opened to them the remainder of the United States market. By 1867, American wine growers were shipping their wines to Europe, Latin America and Australia.

Before the turn of the century, California wines (in all five classes) had also begun to win awards in international expositions, and California was competing with the wine lands of Europe for world markets. Central and South America, Mexico, Canada, Hawaii, the Orient, and Europe were among its customers. In direct competition with the wines of France, Italy, Portugal and Spain, American wines brought premium prices in the British Isles.

Although national prohibition dealt a hard blow to American viticulture in 1920, it was not fatal. Many wineries closed; but wine making in the individual citizen's basement took a decided turn upwards and grapes were in great demand until the market collapsed and gloom overtook the vineyards. A few of

the wineries kept on making wine for the clergy, for medical purposes and for other legal purchasers.

Repeal brought such a large and sudden demand for wine that the newly revived industry could not supply it entirely, and some parts of the country received spoiled, inferior, and even synthetic wines. The good name of wine in America thus jeopardized, responsible growers took action.

In California, through their newly organized association, the Wine Institute, they asked the California State Department of Health and the federal Government to establish quality standards that would stop the sale of unsound and misbranded wines.

This move forced the issuance, in December, 1934, of official quality standards for California wines, higher in many respects than any comparable standards in the world.

Two years later, under the combined pressure of Eastern and California wine growers, the Government issued regulations establishing standards of identity and quality and labeling requirements for wines sold in the United States.

By 1937, the annual production of American wineries had reached a total of more than 95,000,000 gallons; several of our wineries were ready for international competition once more. They entered their wines in the Paris Exposition of that year. Their wines won diplomas of honor, awards higher than gold medals.

### The industry in wartime

JUST before we entered World War II, the wine makers, realizing that Americans had never known or used wine extensively at any time, and that most of the retail wine merchants were as ignorant of wine and its use as their customers, launched a double-barrelled educational campaign to acquaint America with their product. By 1941 the national consumption of wine reached more than 100,000,000 gallons, of which well over 95,000,000 were made in the United States.

Broken down, the picture looked like this:

Grapes crushed for wine-making	1,038,000 tons
Farm value of grapes crushed for wine	\$26,500,000
Winery value of finished wine produced	68,000,000
Total Federal and State taxes paid	41,600,000
Total paid for transportation	10,000,000
Total retail value of wine produced	270,000,000
Employment in wholesale and retail distribution	55,000 persons
Employment in allied industries, including containers, closures, labels, services and transportation	88,000 persons
Total annual payrolls for wine and allied industries	\$100,000,000
Number of bottles used each year	450,000,000
Number of corks	60,000,000
Number of metal and plastic caps	390,000,000

Number of freight carloads shipped .....	15,000
Export shipments of U. S. wines to 43 foreign countries, 1940 .....	397,633 gallons
Shipments to U. S. territories and possessions, 1940 .....	480,405 gallons
Total declared value of all shipments outside of U. S. proper .....	\$599,680
Total bonded wineries in U. S. ....	1,064
Total bonded wineries in California .....	467
Total bonded wineries in New York .....	120
Total bonded wineries in Ohio .....	147
Other states .....	330
Total taxes paid federal and state governments since repeal .....	\$200,000,000

### Less wine now—more later

SINCE our entry into the war, wine production has dropped a little due to the demand for grapes by other users, particularly as raisins and vitamin sources.

The grape and wine industry is also the principal source of about 20 by-products, some of which are essential items needed in the war effort, while others are used daily in the household, in the manufacture of medicines, paint, dye, and in food processing and chemistry. The output of many of these by-products was expanded for wartime use beginning in 1941, and there are indications that the increased production will be sustained after the war.

Wineries are the only source of tartrates which are needed in the manufacture of rayon (tents and parachutes), medicines and effervescent salts (laxatives and seidlitz powders); in photographic chemistry; for dyeing textiles; as a laboratory reagent; in electroplating of mirrors, the making of baking powder, and in the manufacturing of metal coloring.

Other by-products include wine vinegar (preferred by many chefs), grape and wine jellies, grape seed oil (used in making mayonnaise and potato chips, and the oil is sprayed on seeded raisins to keep them from becoming sticky after packing and in paint when high spread and slow drying qualities are necessary), grape concentrate (grape syrup for use in flavoring and sweetening by baking, beverage, fruit packing and candy industries), grape tannin (for tanning leather, making ink, sizing paper, for electroplating, photography and as a fixative in the dyeing industry), wine pomace (what's left after the fermentation of wine is used for fertilizer and cattle feed, and it is also pressed into bricks and used for fuel), carbon, verdigis, cosmetics, Fehling solution and dyes are also made wholly or in part from grape or wine products; and the skins of dark grapes make a grape color used in government and commercial stamping of labels on meats and cheese.

The industry is in a splendid position once victory has been achieved, to move ahead. It will be in a stronger financial position, will have better vineyards and wines and improved national distribution. There will be an increasing demand for American wines as a result of higher standards and honest labeling and the falling off of exports from Europe.

## WAR WORK that will lead to better peace-time packaging

When peace comes we will be better qualified than ever to meet new packaging needs.

We have been building machines right along to meet special war-time wrapping requirements. Equally important, many of the armament machines we build, particularly the Navy Gyro-Compasses, embody advanced mechanical principles applicable to packaging machinery. And all of the equipment has called for the highest type of designing skill and the finest precision workmanship.

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# MARSH



# Keeping Women on the Job

By KATHERINE DOYLE

**SAN FRANCISCO** housewives work out a practical plan for cutting down absenteeism among war workers

**IN SAN FRANCISCO**, a group of housewives have found one answer to the question of how to recruit more women for war work.

They have formed a Neighbors' Work Exchange to meet household emergencies and thereby to help free housewives for outside jobs.

The Exchange is a non-profit organization, makes no charge for its services. It was started in June, 1943, by two women who had faith in the idea, it now has four branches and expects soon to have more.

The Exchange is staffed by volunteer workers, is sponsored by the Industrial Committee of the Junior Chamber of Commerce.

## How the plan works

**HERE** is the way it operates: If, for instance, a young mother explains that, through economic necessity, she must go to work but must first have someone to care for her small children, the Exchange either finds a foster home for the youngsters or else locates a neighbor to come in and look after them in their mother's absence.

Or, if a housewife would be free for a war job except for the care of an aged relative, the Exchange finds a "neighbor's aide" who will come into the home each day, prepare lunch, do a little housework, get dinner started, and perhaps take her charge for an occasional visit to the park.

Through the efforts of the Exchange, a working mother can entrust her children's shopping to neighbor or depend on her to take the youngsters to the dentist or oculist.

The Exchange makes no attempt to set a price on the work of the neighbor's aide, but does advise on a rate that seems fair to both employer and employee.

The idea for the Neighbors' Work Exchange occurred to Dorothy Clark Friedlander early last year as she sat in class at the University of California where she had enrolled for a war training course in personnel management.



Her daughter was ill for two weeks but Mrs. Mooney, through the efforts of the Neighbors' Exchange, missed no days at the plant

Government agencies to whom she suggested the plan recognized its potentialities but could also see the obstacles: dependable volunteers would be essential to staff the centers, "angels" in the form of landlords would be necessary to provide free office space, and a sponsoring group would be needed to supply financial assistance. The agencies would not undertake the responsibility of launching the project.

## Sponsored by Junior Chamber

**FINALLY**, Mrs. Friedlander decided to test the plan on her own. She and Mrs. Hazel Roemer, a friend from the USO, found a landlord who would give them free rent and they were off. They hand-lettered signs for the windows: "Employed Women Engage a Neighbor to Solve Your Household Problems"—and: "Housewives, Earn Money and Speed War Effort by Helping Your Neighbor Hold a Job."

Mrs. Friedlander had some handbills printed and distributed.

By the end of the first week, the two pioneers had found some volunteers to help them, and by the end of the first month, a good staff.

By August, the women were satisfied that the Neighbors' Work Exchange was

sound, and Mrs. Friedlander took the plan to the San Francisco Junior Chamber of Commerce which agreed to sponsor it.

The accomplishments of the Neighbors' Work Exchange so justified the faith of its pioneer workers and sponsor that a second office was opened in November. The first week the new center was in operation, 27 cases were completed.

In December, the two centers made 186 placements and in January, 225. In February, the original office alone completed more than 200 cases, a record which has been more than maintained ever since.

A third center was opened in February. The first day it was in operation, four new foster homes in the neighborhood were located, and eight neighbor's aides braved a downpour to register. A fourth "Exchange" was opened the latter part of May.

In addition to the San Francisco Junior Chamber of Commerce, the Neighbors' Work Exchange now has the help and counsel of a small advisory group including representatives of the Health Department, U. S. Employment Service, Parent-Teacher Association, and Community Chest.

Mrs. Friedlander attributes many of

the accomplishments of the Exchange to the "human element."

"Because the volunteers are well known in their neighborhoods, in many instances the solution of a case becomes simply a question of 'selling' a woman a job to help her neighbor," she says.

There was, for instance, the case of a young mother of two children who came into one of the centers in tears one day. She was about to be evicted, she said, and had applied for war housing, but was told she would not be accepted because she worked in a non-essential industry.

She had given up her position, found a job in a war plant, but in so doing, had to disrupt her home schedule. In the new job, she would have to leave her house at six o'clock in the morning—and what could be done about care of her six- and seven-year-old youngsters from that time until their school began?

The Exchange found a woman in the vicinity who was willing to be at the little family's home at six o'clock in the morning, get the children up, give them breakfast, take them to school, call for them at 2:30 p.m., and stay with them until their mother came home before dinner.

#### Two problems: one solution

THEN there was the wife of a serviceman who had come to San Francisco to be near her husband who was stationed at a nearby camp, and could find no place to live.

The volunteer at the desk explained that she did not work on housing, only on an exchange of services. The young woman replied that she would be willing to work out her housing problem in that way, if necessary.

Just then the phone rang, and the voice at the other end explained that she was Mrs. C., a serviceman's wife employed nights at the postoffice.

The woman who had been taking care of her 13-months-old baby had been forced to leave, and Mrs. C. explained that if she did not find someone else, she herself would have to resign her position. She required no work, just someone to be in the house nights with the child.

The volunteer explained the situation to the woman in the office, found her receptive, and introduced the two women over the phone. They worked out a mutually agreeable plan, and through "teaming up," solved the housing problem for the one and the help problem for the other.

"The greatest demand the centers have is for cleaning on a weekly basis," says Mrs. Friedlander. "Our second largest number of requests is for the care of invalids or the aged by the hour. In child care, the centers receive the most calls for care of infants. There are nursery schools for older children, and wherever possible, to avoid duplication of effort, volunteers direct mothers to such establishments."

The success of the Exchange has brought many requests from nearby industrial areas for details of the plan and help in getting similar projects started.

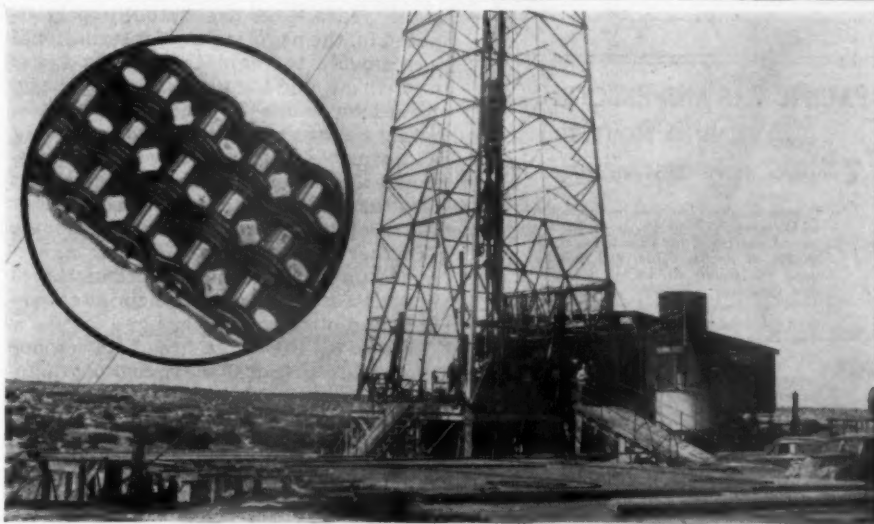
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A cash dividend declared by the Board of Directors on June 14, 1944, for the second quarter of the year 1944, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on July 15, 1944, to shareholders of record at the close of business on June 29, 1944. The Transfer Books will not be closed.

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## Foreign Trade After the War

(Continued from page 22)

the Latin American countries, which have accumulated exchange resources during the war. They will not find it necessary to maintain government controls, but will probably be in good position to start exporting their basic products, for which there is likely to be a considerable demand for some years after the war.

Accordingly, it would seem that in some countries, notably in Europe, the postwar attitude toward international competition will be marked by a trend toward "directed" trade, that is, trade influenced by agreements between the chief supplying countries, or associations of producers in the various countries, to allocate markets, set fixed prices, and control other competitive factors.

As a matter of fact, some of the important British organizations like the Federation of British Industries, the World Trade Alliance and the Cotton Board Committee, have definitely come out in favor of such arrangements.

Our own attitude will naturally be influenced by a number of legal and political factors and is, therefore, difficult to predict.

### Some trade agreements

THE fact that our own Department of Agriculture has been considering for some years, and has actually participated in, the negotiation of international agreements to regulate trade in sugar and wheat, and the distribution of Latin American coffee in the United States, might be interpreted as an indication of a favorable attitude toward international agreements on our own part—at least as a contribution to the solution of the problem of agricultural surpluses. Whether we later favor similar agreements on non-agricultural products will undoubtedly depend on their effectiveness and our experience.

But of all the differences between our time and Britain's, we must pay particular attention to one of the most revolutionary changes in our thinking about the economic future. The change concerns our attitude toward employment, a natural development of the Great Depression, intensified and accelerated by the present war.

Unemployment as a social and economic problem has interested nations for many years. Unemployment crises were not unknown before the last depression. However, before the First World War, employment was more or less tacitly regarded as the result of certain policies which provided a favorable environment for the private development of productive resources. Fluctuations, regarded as the unfortunate but inevitable by-product of our economic system, caused no very serious questioning of the basis of free enterprise except among radical elements whose political strength was insufficient to influence economic policies.

The disastrous unemployment during

the Great Depression, following the experience with managed economy during the First World War, brought more serious criticism. Many objective and somewhat conservative observers began to question the capacity of the system to operate successfully under the changed conditions in production and international relationships. The spearhead of the attack was aimed at the distribution of the national income and the adequacy of the profit incentive alone to provide full employment.

### "Full employment" and trade

AS a result of these experiences, "full employment" has emerged as a dominant objective in the postwar economic plans for the democracies.

There is wide difference between "full employment" as a starting point and as an automatic result of sound economic policies. As a starting point, "full employment" brings to the forefront the subject of national economic planning—for instance, the size of our national income, its distribution, production and consumption planning. In many cases, this implies, if it does not advocate, central direction of the key factors of the national economy.

The "full employment" theme comes quickly up against the subject of foreign trade. It raises immediately this question: Are we going to be in a position, from a domestic, political and social viewpoint, to adopt the measures necessary to resume economic relations with the outside world? We shall probably not have to answer that question until sometime after the war's close.

It seems generally agreed that because of the accumulated demand for consumption and capital goods, most of our industries will not need to look for foreign markets to maintain capacity production. We can go further and say that, during that period, we shall probably have the highest *per capita* purchasing power in history.

But that is the short-term probability. What are the long-view prospects for our foreign trade, assuming successful reconversion here and reconstruction abroad through international cooperation?

It is at this point that the United States must make its choice between economic nationalism and internationalism. The choice will not be easy. Each has a price.

Let us look first at the problems involved if we are to be effectively international in our economic viewpoint. We shall, of course, want to export not only more manufactures but more raw materials, fibers and foodstuffs, because they bulk large in our productive capacity. Shall we produce cotton and wheat, for example, in a free market, to meet world prices? If we do, what about our domestic agricultural policies such as parity prices?

What shall we be willing to do about

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our tariff on foreign goods? Must we require our cattle-raisers and packers to compete, not only overseas, but at home, with the Argentine?

What of our manufacturers of textiles and shoes? If we do not let in all that could come in from foreign countries, at a reasonable tariff, just how much shall we permit to compete with our American producers?

Again, brisk international trade requires participation in international banking, currency and credit deals. It would require our active participation in overhauling the international banking structure, largely wrecked before the war by the depression, and made a shambles in Europe by the Hitler New Order.

Finally, there is the important factor of our foreign investment policy. We are familiar with the stimulating effect of our investments on our export trade during the '20's. That stormy career does not seem very inspiring, and the American private investor may be little inclined to invest liberally abroad after the war.

These are only a few of the problems we must solve if we really intend to promote foreign trade throughout the world, and thus gradually reduce the pressures at home and in other nations which result in nationalism and in political antagonisms.

But suppose we finally decide that they are too difficult, that there is no hope of striking a fair balance. We must consider the possibility that political and other disturbances or lack of international cooperation may hold up the economic reconstruction of certain countries. We must consider, too, that our domestic situation will be complicated by pressure for protection of war-born industries and by the threat of serious unemployment.

### What price isolation?

UNDER those circumstances, we may develop a substantial trend toward economic isolation.

If that is our choice, what is its price? Let us start by describing the state of economic isolation. In its extreme form it would mean that we would use our productive facilities primarily for the direct supply of our domestic market and confine our economic relations with the outside world to the exportation of a sufficient amount to pay for such imports or services as would be absolutely necessary.

Under those conditions it would not be safe to count on any returns from previous investments and our trade would, therefore, be reduced to an exchange of commodities, probably in the form of bilateral clearing arrangements. We would naturally have to maintain various controls to keep the trade within prescribed limits. We would also have to ignore world price levels and would probably retain the production of substitute products at higher costs than the natural products that would have to be imported.

It is obvious that if, in accordance with

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such a policy, we should stop or seriously curtail our imports of rubber, silk and tin, England, the Netherlands and Japan would be deprived of dollar exchange and therefore could not buy our cotton, tobacco and foodstuffs, unless we increased our imports of some of their other products or used more of their services, which would be inconsistent with our basic policy of economic isolation. This would involve a shift in our domestic production toward greater concentration on meeting the domestic demand. In some cases this might mean a change to a new product.

### Nationalism means control

THE much more important implication of economic isolation would be the introduction of economic planning on a national scale, inevitably with a considerable degree of government intervention. It is hardly to be expected that our producers, confined to the domestic market, would choose a policy of free competition, or that labor and the public in general would put up with the disturbances connected with unregulated competition.

We might, therefore, expect some form of market allocation, probably combined with price and wage controls. It is also to be expected that the objective of full employment would become still more pronounced, since the Government would have to assume direct responsibility for balancing the various parts of the national economy.

If we should adopt, or drift, or be forced, into such a policy, we must reconcile ourselves to a virtual loss of competitive capacity. While this might not be a serious matter in view of our attitude toward export trade under a policy of economic isolation, it deserves to be considered in connection with some of the measures involving subsidies and special forms of protection that will probably be advocated during the post-war period, even if we do not go in for full economic isolation.

Since, under the assumed system, practically all our productive facilities would be used directly or indirectly for domestic consumption, the resulting high standard of living, as expressed in wages and labor standards, would in many cases raise our cost of production above the competitive level. In some cases our productive efficiency and the economies of large-scale production will probably keep prices down, but there is little reason to expect it in the case of agriculture or most of the industries producing raw materials.

The effect of our farm policy on the exports of cotton and wheat indicates clearly that, although a country may adopt economic policies designed to raise the standard of living of a class of producers, for valid social reasons, it cannot compel other countries to share in the cost of such reforms by paying higher prices for the products involved, unless it has a monopoly or can control competition through international agreements. Export subsidies do not solve the problem, except temporarily and at the

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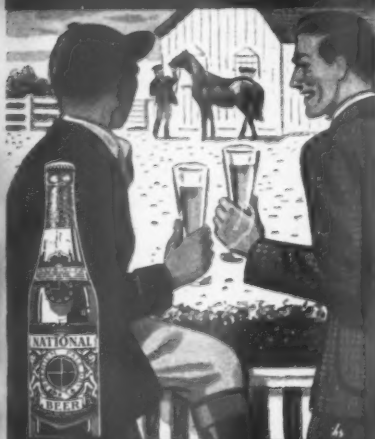
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cost of the taxpayers. Besides, a subsidy policy would not be consistent with the policy of economic isolation.

While we are on the subject of our farm policy, it is worth mentioning that our legislation for the support of agricultural prices provides that the price of certain products be maintained at 90 per cent of parity for two years after the war.

Public opinion is at present so dominated by the immediate war task that there is no safe basis for forecasting our postwar economic policy. We cannot be sure whether there will be enough support for adequate participation in world reconstruction and whether all the implications of economic isolation will be recognized and properly evaluated.

It is conceivable that, considering our resources, we could attain a relatively high standard of living on a self-sufficiency basis, provided we are willing to accept the implications—economic, political and social—of national economic planning.

It is hardly necessary to emphasize the changes in our thinking and way of life which such a regime would involve. On the other hand, a policy of international cooperation would also require considerable changes in our attitude toward international and domestic economic problems.

Considering our foreign trade tradition and our stake in the preservation of free enterprise, we shall undoubtedly make a valiant effort to resume and strengthen our economic relations with the outside world. Our potential contribution is too great to be fettered by economic isolation.



### Veteran Comes Home

One of this war's veterans who was invalided home and still does his bit for victory is Andrew Zuna, ship electrician for Federal Shipbuilding and Dry Dock Co. at Kearney, N. J.

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June 2, 1944

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Chairman of the Board  
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Dear Mr. Duncan -

Through the profitable use of your financing service for nearly three years, we have attained a position which has enabled us to permanently finance our Company by an underwriting of preferred stock and serial ten year unsecured notes. We, therefore, tender our check for \$2,556,842.07 in settlement of our account with you.

Nearly three years ago you advanced \$1,450,000 towards my purchase of C. D. Kenny Company, Baltimore, whose sales in 1941 were \$17,000,000. About a year later you advanced some \$3,850,000 to assist the purchase by Kenny of Sprague Warner and Company, Chicago, whose annual sales were about \$12,000,000. Sales of both Divisions have since substantially increased.

We have just bought Western Grocer Company and Marshall Canning Company of Marshalltown, Iowa, which makes our Company one of the largest wholesale, canning and processing grocery concerns in the United States, with combined annual sales in excess of \$50,000,000.

During our experience with you, of nearly three years, you have financed our Accounts Receivable totaling more than \$82,000,000. We have always made a substantial profit and I am pleased to say that at no time have you injected yourselves into management or financial control of our business. The use of your financing service and the splendid cooperation and helpful assistance we have received from you and your Associates have been important contributing factors to our success. We shall always feel very grateful to you.

Our experience with you is concrete evidence that large concerns can very profitably use your financing service and maintain high credit standing. We wish you continued success.

Most sincerely yours,

SPRAGUE WARNER - KENNY CORPORATION

*Nathan Cummings*  
President.

The above letter tells the story in the words of a gratified user of Commercial Credit service. Our booklet, "Capital Sources," tells how Commercial Credit makes thousands or millions quickly available for any sound business use. Write or telephone our nearest office for a copy.

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# Capital Scenes... and What's Behind Them



## Lingerie's on the line

THE government man who has just returned from London says the English people are still puzzled by us. They think of us as amusing, helpful in many ways and, on the whole, rather likable, but too much given to chatter.

"Take this matter of postwar Europe. The average Englishman's idea, if he could be persuaded to put it into words, is that the wash has gone through the tub and is now on the line. By and by the pretty underthings will be ironed out. But not soon."

Whereas we seem to think—says he—that we can present our idea of an agreement to Europe, with spaces left for signatures. He says the English people seem to think that when the war is won the real scuffling will begin. They are a hardboiled lot, he says, and he likes them. After having been exposed to the English influence for a time he is not nearly so sentimental as he used to be.

## One war may end in 1945

THEY are engaged in licking Germany and will go on until Germany is licked.

"Then I think England will favor some kind of a settlement that will aid the world to get back to business. So far as I can see no one wants to scrap Germany, even if now and then some one sounds off that way. A starved Germany, unable to buy, would be a standing promise of another war. But Germany will be held under control. It is argued that for two or three years 1,000,000 or more men must be held in garrison in Germany to avoid a post-demobilization glut of manpower at home. Not much is said of this by public men—which is contrary to our practice—but it is taken for granted in government circles. One thing is certain. By hook or crook Britain will provide jobs for the working people. Perhaps by heavily subsidizing export industry. But—somehow."

## U. S. must be kept strong

THIS does not involve—he said—any antagonism to United States industry:

"Britain's future prosperity is tied in with that of the United States. If we were to slump, Britain would crash. I do not believe there will be any empire preference in the future. If I have read correctly the thought of re-



sponsible British leaders, the trade of the Empire and the Commonwealth and our

own world trade will be regarded as a pot to be shared. Even that of India."

He admitted that this will amount to a world revolution in trade matters but he thinks it is sure to come.

## Small states may merge

NOT much is being said publicly but responsible British statesmen think that a coalition of the smaller European powers, in one or another form, will be forced by postwar conditions:

"It is all very well to say that the three Great Powers will insist on the domination of Europe in order to maintain peace, and that the smaller states will be permitted to huddle individually under their benevolent wings. But the small states are thinking of their own futures as well as of sweetness and light."

## Juan Trippe in the air?

FURTHER gossip is that Juan Trippe—Pan-Am Airways—will be the director of an effective airway net. This might be privately owned and controlled, or privately owned and controlled by the federal Government, or jointly owned, privately operated, and directed as to policy by the federal authorities.



"The director might not be Trippe. My money is on him as of today. But there will be an air net. That is regarded as certain. The Government will have enough of an interest in it to be able to protect it against other nations."

In London people think Admiral Jerry Land—U. S. Mercantile Commission—is a probable for head of whatever body will handle our huge fleet of cargo vessels after the war. England realizes—or fears—that the fleet will be kept in being and not sacrificed as after the First War. Englishmen like Land. They think he will play fair. But he does not play kissing games.

## These things are known here

THESE considerations—"not to be accepted as certainties; no one can say today what tomorrow may bring"—explain to the voyager quoted why certain things are happening here. During the interim between the First and Second Wars, for instance, other countries got a necktie on the world communications. We had cables and radio, of course, but not always where we wanted them.

"The dope is that we will set up a world net under the direction of James

Lawrence Fly, now Director of the Federal Communications Commission. He has had that idea in mind for a long time."

No nation could stop us, in the opinion of the man quoted. Perhaps no one would want to stop us.

## A United States of Europe

IF FRANCE, Holland, Belgium and the Scandinavian countries were to get together under one leadership, they would become another Great Power. A score of effective reasons has prevented this in the past. Some very astute British leaders think the Second War has made some such grouping imperative in the future.

"Remember that France never loved Britain and certainly the De Gaulle France does not love us today. In times past France has been able to provide leadership of a very definite sort. The Second War may have burned out of the French body politic certain highly poisonous elements."

## Britons never will be suckers

THE returned voyager said that he liked many things about the English political methods. For instance—

"Congress recently raised the debt limit to \$260,000,000,000. Readers think that establishes the total debt. In fact it does not take into consideration enormous sums the country owes and must pay. Secretary Jesse Jones's RFC made lots of money at one time. Now some of the RFC's subsidiaries are losing lots of money. Senator Harry Byrd chases the 50 free-as-air corporations around now and then. Even Mr. Byrd, who wants to know, has not been able to find out how much they are in the red. Comptroller General Lindsay Warren, at the request of the House, identified 26 presidential agencies which came into being by a Rooseveltian fiat, live on the money the President allots them from his special funds, and make such financial reports as they wish. All of which totals up to a debt that is as indefinite as the wood tick population of the Bitter Root mountains."

England, says he, does not do things in that loose way.

## But our hearts are pure

THERE is in the English House of Commons a committee that is so seldom heard of that he has even forgotten its name. Committee on Documents or Accounts or Records or something of that sort. Occasionally it gets interested in what is going on in some department of government, and it meets in a small, dark room, and puts the responsible officials on the grill:

"And I mean grill. Maybe a year later the committee prints a report which has little circulation outside of libraries. But it has all the dirt. . . . There may be a full dress debate or Questions Asked





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and a Government may topple over."

Therefore, he said, English government agencies are not reckless or extravagant with money. They spend freely when that seems wise. Some one in the English Government knows, at this minute, the debt of the nation to the uttermost sixpence.

**Col. "Bill" Donovan and his SOS**

COL. "BILL" DONOVAN spends an unstated sum of money on enterprises of his Office of Strategic Services and that's all right. No one wants to know—particularly. It is the general but unspecified conviction that Colonel "Bill" has served the Allied cause manfully by his strategic services. Any one who sought to interrogate the Colonel would be treated like a weasel in a henhouse. But the returned voyager observed sadly that the lesser brand of officialdom is sometimes just as haughty to inquirers into their operations.

**Will Clayton brushed off**

EVEN so important a person as Will Clayton bumped into the Wall of Silence recently. Clayton is the Surplus Property Administrator. Those uninformed on his past are referred to the May issue of NATION'S BUSINESS. He will handle something like \$50,000,000,000 of surplus property, more or less, and he wanted to know:

"Will companies buying war plants from the Government be liable to prosecution under the antitrust laws if such purchases increase their control of producing facilities in basic industries?"

Attorney General Biddle might reply that he cannot bind any future attorney general and refer to the Tennessee Coal and Iron case of 37 years ago. Mr. Clayton can decline to put such war plants on the market. But it certainly cramps the style of possible purchasers.

**Tough job of appraisal**

MR. CLAYTON has another problem to consider. These plants were built under forced draft. Some were wrongly located. All cost more than they could have been built for in times of peace. But when we want to sell them their values will be governed by precisely that same law of supply and demand that ran their costs so high.

To be frank about it, the \$50,000,000,000 face value of the surplus properties will slide off in a buyers' market.

Then there will be talk of profiteers and merchants of death and rascality and whatnot, to a fare-you-well. One of the aftermaths that are beginning to loom up like a barn in a fog.

**Tale of a true patriot**

FOR the benefit of those who think that Americans will soon be reeling around with their eyes falling out because of bathtub gin—

"Before the war," said James V. Bennett, Director of the Bureau of Federal Prisons, "we used to have 10,000 to 12,000 offenders against the liquor laws each year. Now we only get in 3,000 to 4,000."

Perhaps some of those who did not get into prison were moved by lofty motives. Bennett asked one moonshiner where he got the sugar from which to make his whisky:

"You ought to know I wouldn't break no law, Mr. Bennett. I used nothin' but sorghum."



**M. Maverick, guardian angel**

THAT able and sincere Maury Maverick, custodian of the Smaller War Plants administration, is planning to extend his range and scope. Mr. Maverick feels that the 184,230 manufacturing plants—employing for the most part fewer than 1,000 men—must be guarded and aided by government when the pinch comes. If it comes. There are other small businesses in addition to the small manufacturers, who—Mr. Maverick thinks—must have information and help. Therefore Senator Murray had introduced a bill changing the name of Maverick's administration to the Smaller Business, etc., and extending its life to 1947. Presumably extending Mr. Maverick's life coincidentally. One is bound to recall Dr. Alvin Hansen's (those who would like to know more about Dr. Hansen see June NATION'S BUSINESS) scheme to form a National Investment Board, with power to control business output and income.

**More benefits for workers**

IF THE pending Wagner-Crosser bill becomes a law railroad workers will be paid benefits during sickness as well as during a period of unemployment. Female workers will be entitled to 26 weeks maternity benefits, and annuities may be set up for the surviving members of a worker's family or other relatives. It is backed by the powerful railroad unions, by the Railroad Retirement Board, and by various officials in the Government who have long been planning an expansion of the Social Security Act.

The changes would be financed by an increase in the railroad payroll taxes from \$250,000,000 to \$350,000,000 a year, and by an increase in the tax paid by employees from \$130,000,000 to \$230,000,000. The Wagner-Crosser bill, according to its sponsors, introduces entirely new "social concepts." It is in fact a preview of the changes which will be asked at the first opportune moment in the existing Social Security law.

*Herbert Corey*